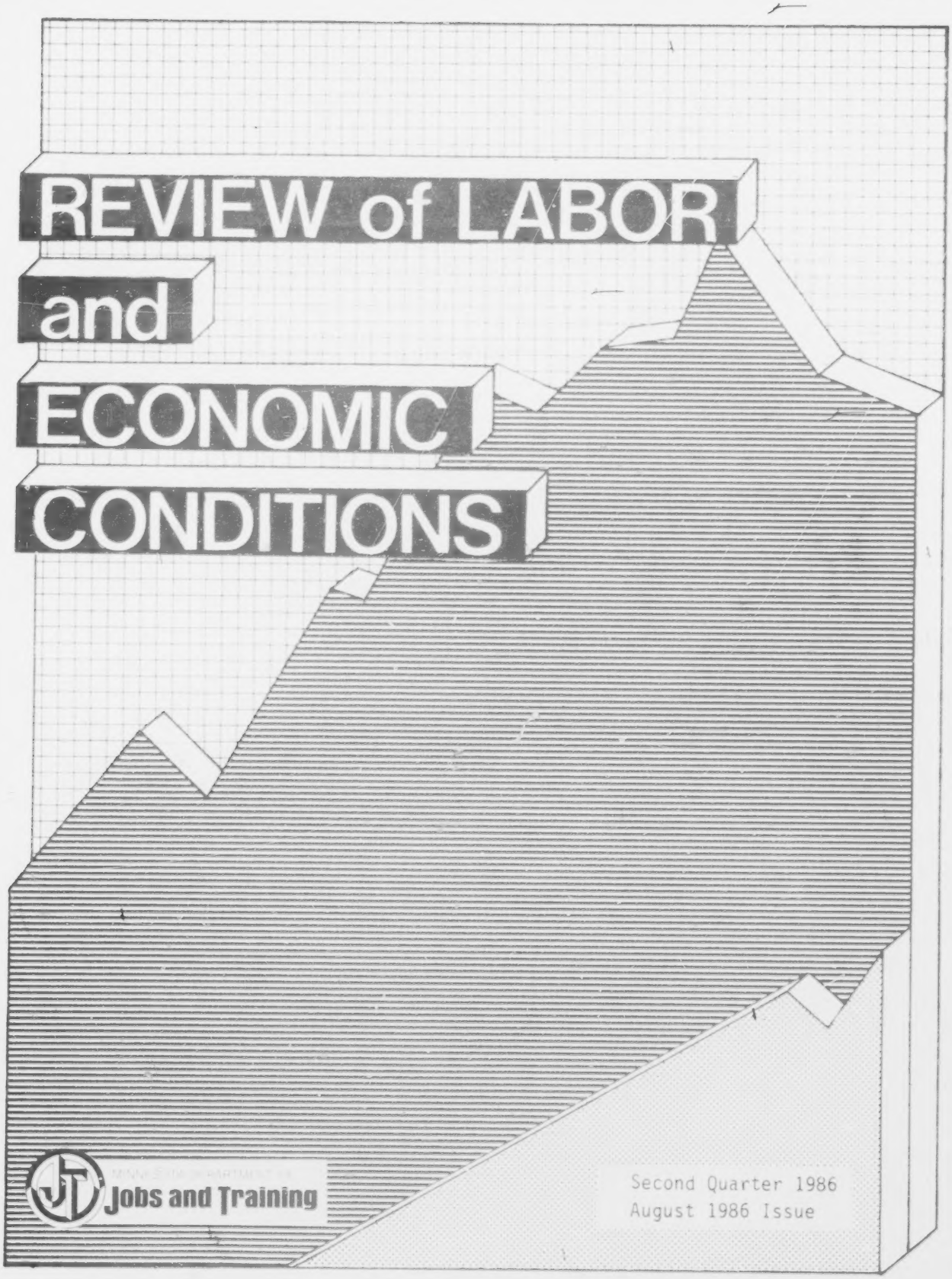
10/6/86 S4205-1 A

REVIEW of LABOR and ECONOMIC CONDITIONS



Jobs and Training

Second Quarter 1986
August 1986 Issue

TABLE OF CONTENTS

RESEARCH SUMMARIES
Job Growth Within the Minneapolis-St. Paul MSA..... 1

THE JOB MARKET
Supply/Demand for Specific Occupations..... 3

FORECASTS
Forecasts of GNP and Minnesota Payroll Employment..... 4

FEATURE ARTICLE
Trends in Wages and Prices in Minnesota: 1983-1986..... 5

BRIEF ANALYSIS OF ECONOMIC CONDITIONS
The National and State Economies in the Second Quarter..... 11

BRIEF ANALYSIS OF ECONOMIC CONDITIONS
Minneapolis-St. Paul..... 12
Central and Northwest Minnesota..... 14
Northeast Minnesota..... 15
Southern Minnesota..... 16

STATISTICAL SECTION
Labor Force Statistics..... 17
Labor Market Conditions..... 18
National Economic Activity: Spending, Output, Income, and Prices..... 22
Output, Expenditures, Money, and Credit Conditions..... 23
Income and Purchasing Power..... 24
Minnesota Income Support and Employment Assistance Data..... 25

AVAILABLE PUBLICATIONS..... 26

The Review of Labor and Economic Conditions is published quarterly by the Research and Statistics Office of the Minnesota Department of Jobs and Training, 390 North Robert Street, St. Paul, Minnesota 55101. Current Minnesota Labor Market Conditions is published during the eight months for which no Review appears. Copies are available without charge by writing the editor.

Articles on labor market conditions and the economic welfare of Minnesota workers or general economic conditions within the State are welcome. Articles should be submitted complete with tables and graphs. Length should not exceed ten double-spaced typewritten pages, including graphs, references, and notes. The editorial board reserves the right to edit articles for length and clarity.

Editor: Med Chottepanda

Assistant Editor: Debra Detrick

Staff: Ben Boyle
Ron Daws
Bruce Steuernagel

Research Summaries

JOB GROWTH WITHIN THE MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

Since 1980, the number of wage and salary jobs[1] in the Minneapolis-St. Paul MSA has increased by over 98,000. About 93 percent of that increase has been in service-producing industries. This Research Summary article takes a brief look at where the job growth has taken place in the metropolitan area. We have divided the area into three geographic subareas. The central cities are Minneapolis and St. Paul. The suburban area is made up of the following counties surrounding the central cities: Anoka, Dakota, Hennepin (excluding Minneapolis), Ramsey (excluding St. Paul), and Washington. The exurban area is comprised of the following counties which are on the outer ring of the metropolitan area: Carver, Chisago, Isanti, St. Croix (WI), Scott, and Wright.

The following pie graphs show the 1985 percentage distribution of goods-producing[2] and service-producing[3] employment in these three areas.

Between 1980 and 1985, employment in the goods-producing industries has increased by about 7,100 in the Minneapolis-St. Paul MSA. All of the growth took place in the suburban and exurban areas. Goods-producing employment in the central cities decreased by over 10,700. There were over 15,200 additional goods-producing jobs in the suburban area in 1985 than in 1980 and over 2,500 additional goods-producing jobs in the exurban area over the five-year period.

There are several reasons for the decline of central city goods-producing employment. First of

1/ Wage and salary jobs in establishments covered by Minnesota UI Law, about 97 percent of total wage and salary jobs.

2/ Defined as manufacturing and construction while agriculture, forestry, and fishing and mining are also traditionally included in goods-producing employment, they represent only a small amount of employment in the Twin Cities area and are included in the service-producing sector in this study.

3/ Defined as transportation, communications, public utilities, trade, finance, insurance, real estate, services, government.

all, some large firms have gone out of business or relocated to other parts of the country. For example, in St. Paul, two large employers, Whirlpool and American Hoist and Derrick relocated a substantial share of their employment to other states. A second reason is that companies expanded or relocated to suburban or exurban areas where land was available. Other considerations for relocating would be better access to transportation and the availability of a labor supply.

In the service-producing industries employment in the central cities has increased by about 10,000 between 1980 and 1985. In the suburban area service-producing employment soared by over 75,000 while there was an increase of over 6,300 service-producing jobs in the exurban area. The rapid growth in the suburban and exurban areas is explained in part by the fact that population growth has occurred most rapidly in those areas. According to the Metropolitan Council and the State Demographer's Office, the population of the cities of Minneapolis and St. Paul has dropped from 641,181 to 629,900 (-1.8 percent) between 1980 and 1985. The suburban population increased from 1,263,862 to 1,353,286 (7.1 percent). The Minnesota portion of the exurban area grew from 188,828 to 209,594 (11.0 percent). This additional population has created the demand for retail shops, banks, health care, entertainment, and educational services among others. Establishments providing these services will be located conveniently to the customer base.

Some services are also exported to other parts of the State and upper-midwest region. Substantial growth of office space has occurred along I-494 which circles the southern and western suburban area. These offices are typically occupied by service-producing firms. Additionally, the airport generates a demand for hospitality services such as hotels and restaurants for business travelers and tourists alike.

The following is a list of the 10 largest suburban communities by employment size.

PERCENT CHANGE IN EMPLOYMENT
1980-1985

City	First Qtr. 1985 Employment
1. Bloomington	65,836
2. Edina	45,616
3. St. Louis Park	39,099
4. Roseville	35,117
5. Golden Valley	27,282
6. Minnetonka	27,206
7. Plymouth	23,156
8. Ft. Snelling-Airport	21,122
9. Eden Prairie	20,913
10. Fridley	20,637

SUPPLY/DEMAND FOR SPECIFIC OCCUPATIONS, AUGUST 1986[1/]

By Debra Detrick

MINNESOTA

Shortage Occupations: restaurant workers#, truck drivers

Surplus Occupations: assemblers#, clerical workers, general laborers#, production factory workers#

CENTRAL MINNESOTA

Shortage Occupations: over-the-road truck drivers#, restaurant workers

Surplus Occupations: clerical workers, general laborers#, general office workers

MINNEAPOLIS-ST. PAUL

Shortage Occupations: fast-food restaurant workers#, secretaries, skilled clerical workers#, waitresses#

Surplus Occupations: assemblers#, electronic assemblers#, clerical workers, production factory workers#, unskilled laborers#

NORTHEASTERN MINNESOTA

Shortage Occupations: none

Surplus Occupations: auto mechanics#, construction workers#, electricians#, entry level managers#, laborers: construction#, general#, and mining#, machinists#, mining crafts#, office clerical workers#, painters#, pipefitters#, sales clerks#, teachers#, welders#

NORTHWESTERN MINNESOTA

Shortage Occupations: cooks#, truck drivers

Surplus Occupations: clerical workers#, construction workers#, general laborers#, production workers#, sales workers

SOUTHERN MINNESOTA

Shortage Occupations: farm hand workers, food service workers#, over-the-road truck drivers#

Surplus Occupations: cashiers#, clerical workers#, entry level managers#, factory assemblers#

1/ Shortage occupations are those that are difficult to fill or go unfilled due to the lack of qualified applicants. Surplus occupations are those in which the number of qualified applicants greatly exceeds the number of openings.

\# This occupation has been listed as a shortage or surplus occupation in at least two out of the last three quarters of the Review.

Forecasts

FORECASTS OF GNP & MINNESOTA PAYROLL EMPLOYMENT

By C. Cline

Forecasted growth rates based on the table below are almost unchanged compared to those published last quarter.

For real GNP the growth rate for the period from 1986:2 to 1987:2 is 7.42% compared with 7.34% for the 1986:1 to 1987:1 period reported last issue. For the second four-quarter period, ending with 1988:2, the forecast is for 4.73% compared to 4.59% before.

Similarly, total Minnesota wage and salary employment is forecasted to grow at 5.08% for the first four-quarter period. This compares with 5.29% growth in the previous forecast. The second four-quarter period shows 6.16% growth, unchanged from last time.

Forecasted growth rates for real GNP, as reported for eight national forecast firms by the Conference Board, range from 2.5% to 4.4% for the 1986:2 to 1987:2 period and from 2.3% to 3.6% for the 1987:2 to 1988:2 period. When total Minnesota employment is forecasted based on the average of these forecasts, the growth rates are 1.89% for the first and 2.3% for the second four-quarter period.

The forecast errors for 1986:2, when the one-period ahead forecast made last time is compared with actual data, are as follows: +0.49, +0.50, -5.35, -1.97, +0.42, +1.34, +0.59, -0.08, +0.94 and -0.11 percent, from left to right.

Quarter	Real GNP (Billions of 1972 Dollars)	MINNESOTA PAYROLL EMPLOYMENT, BY QUARTER (In Thousands)								
		Total Nonagricultural Wage & Salary	Mining	Contract Construction	Manufacturing	Transportation, Communications, & Public Utilities	Retail and Wholesale Trade	Finance, Insurance, & Real Estate	Services	Government
Current										
1986:2	3,661.50	1,900.91	8.23	74.28	367.77	98.40	472.64	115.39	448.31	315.81
Forecasts										
1986:3	3722.54	1920.49	8.98	87.42	380.72	98.76	478.88	116.85	456.59	290.79
1986:4	3789.91	1950.17	8.50	82.24	376.28	101.73	486.00	116.65	469.72	319.03
1987:1	3865.37	1915.44	7.88	62.80	375.07	99.80	469.85	116.86	461.40	322.63
1987:2	3933.24	1997.41	9.02	80.54	386.80	102.63	492.59	119.57	478.98	324.48
1987:3	3994.61	2038.25	9.25	95.79	408.79	103.89	501.03	121.51	486.17	300.20
1987:4	4042.85	2079.63	8.78	89.63	408.08	107.72	511.51	121.40	493.51	328.58
1988:1	4085.09	2039.28	8.28	67.31	407.26	105.48	494.94	121.73	491.71	332.56
1988:2	4119.33	2120.40	9.42	85.12	418.04	108.32	517.97	124.51	510.91	334.83

Notes

1. These forecasts are produced using the Vector Autoregression Model Developed for Research by Rao Aiyagari.
2. The concept of employment forecasted is that of Nonagricultural Wage and Salary employment. The count represents the number of jobs held since the data is generated from a survey of employer payroll records. Groups included in labor force employment, but excluded here are the self employed, domestics, unpaid family workers.
3. Employment forecasts are seasonally unadjusted values. Real GNP is seasonally adjusted.
4. Forecasts of major industry employment do not sum to the forecast of total wage and salary employment. This is due to random error in the forecasted values.
5. There is great diversity in the accuracy of the forecasts among the major industry divisions, especially mining. More information on their accuracy can be obtained from the author on request.

Feature Article

TRENDS IN WAGES AND PRICES IN MINNESOTA: 1983-1986

By Bruce Steuernagel

Periodically since 1976, articles have appeared in the Review of Labor and Economic Conditions reporting on trends in occupational wages in Minnesota1/. The results of the 1986 Minnesota Salary Survey are now available, and this article extends the data which appeared in those previous issues. In addition the article includes a comparison of national trends from 1978 through mid-1986 in inflation, as measured by the Consumer Price Index, and wage increases, as measured by the Employment Cost Index wage and salary series.

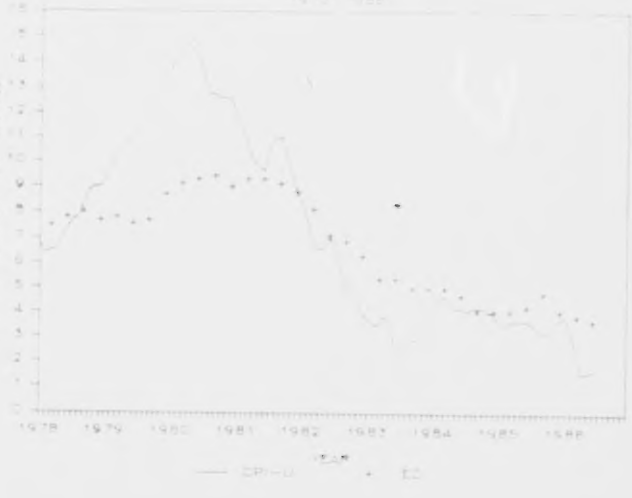
General Trends in National Prices and Earnings

The decade of the 1970's was characterized by rapidly increasing prices. The Consumer Price Index for urban wage earners and clerical workers (CPI-W), the cost of a market basket of goods and services, increased by an average of 11.2 percent per year between 1970 and 1980. In contrast to the 1970's prices have increased at a much slower rate in the 1980's. Between 1980 and 1985, the U.S. CPI-W increased by an average of 5.8 percent per year. Between July 1985 and July 1986, the CPI-W increased by only 1.6 percent. The solid line in Graph 1 shows the trend in price increases from January 1978 to June 1986 using the Consumer Price Index for all urban consumers (CPI-U). This price index covers a larger percentage of consumers than the CPI-W, but the general trend is very similar. The line peaked at 14.7 percent in March and April 1980, the dubious highpoint of the 1970-80 decade, before beginning its rapid descent during the severe recession of 1981-82.

Have wage levels paid to workers kept up with rising prices? The Bureau of Labor Statistics collects a variety of data on wages. One data series which has been collected both nationally and for states and metropolitan statistical areas for many years is average weekly earnings for production workers in the manufacturing sector. Between 1970 and 1980, average weekly earnings for manufacturing workers rose by an average of 11.7 percent per year nationally and 11.2 percent per year in Minnesota. Thus it appears that wages paid to workers in the manufacturing sector just managed to stay even with high rates of inflation. Many workers in the manufacturing sector were covered by union contracts with cost of living wage escalators which helped them to keep pace with price increases. From 1980 to 1985, average weekly earnings have increased by an average of 6.7 percent per year nationally and 7.0 percent in Minnesota thus exceeding

GRAPH 1

U.S. WAGE AND PRICE CHANGES



1/ Please see articles in Second Quarter 1976, Second Quarter 1979, First Quarter 1982, and First Quarter 1984.

the inflation rate. However, in more recent years in the 1980-86 period, wages paid to manufacturing workers have grown much slower than average as companies have attempted to control costs in a very competitive business climate. In some basic industries, such as steel and rubber, workers have agreed to wage freezes or cuts to try to save jobs. Between June 1985 and June 1986, average weekly earnings for manufacturing workers were up only 2.1 percent nationally and 3.1 percent in the State2/.

The Bureau of Labor Statistics also computes an Employment Cost Index (ECI) quarterly. The ECI is a measure of the change in the price of labor, free from the influence of employment shifts among occupations and industries. This data series is available for all workers in the private sector beginning in the third quarter of 1975. The broken line on Graph 1 shows the trend in the ECI from the first quarter of 1978 through the second quarter of 1986. The graph shows that wage increases were falling far short of price increases through 1981. Since 1982, however, even though wages have not increased as much as they did in the earlier years, they have exceeded the rate of inflation. Consequently, since about 1982, real wages for workers in the private sector have been increasing. Real wages are wages measured by their purchasing power rather than their nominal wages. Real wages are calculated by dividing the nominal wages by the value of the CPI divided by 100. This calculation will allow one to express current wages in terms of constant 1967 dollars since the CPI uses 1967 as the base year.

Wage and Salary Changes Among Occupations in Minnesota

The previous section of the article has provided a general overview of trends in national prices and wages. This section draws on the results of the 1986 Minnesota Salary Survey to track changes in wages paid to individual occupations from 1983 to 1986 in the State. Table 1 on page 7 shows trends in the median monthly wages and percentage changes for selected occupations, as well as changes in the CPI-W for the Minneapolis-St. Paul MSA. As Graph 1 shows, wages and prices rose at a much slower rate between 1983 and 1986 than in earlier periods. The average median wage for the 25 occupations rose only half as fast between 1983 and 1986 as from 1981 to 1983. Between 1983 and 1986 the annual average percent change was 3.6 percent compared to 7.2 percent between 1981 and 1983. This 3.6 percent annual growth rate exceeded the increase in the CPI of 2.1 percent which translates into real wage gains during the period. The real average median survey wage in 1983 was $495.20 and in 1986 it was $515.20. However, over the 16-year span covered by Table 1, the annual average wage increase lagged behind the annual average price increase. The real average median survey wage in 1970 was $559.18 compared to the 1986 figure of $515.20.

During the period 1983 to 1986 the median wages for two occupations dropped and three registered very small increases. The two occupations which had lower median wages were Engineering Aide I and Civil Engineer II, while Cashier-Teller, Maintenance Electricians, and Welders had wage increases of 2.2 percent or less. The drop in wages for Engineering Aide I and Civil Engineer II is somewhat suspect because both of these occupations have displayed strong wage growth over previous time periods studied. The sample size in the Salary Survey for these occupations is rather small. In the case of the Engineering Aide category, wages were reported for 329 workers in 1986, while for Civil Engineer wages were reported for 350 employees. Median

2/ Current Employment Statistics Program, U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 1 -- MEDIAN MONTHLY WAGES AND PERCENTAGE INCREASES IN MEDIAN MONTHLY WAGE RECEIVED BY SELECTED OCCUPATIONS IN MINNESOTA -- 1970, 1975, 1978, 1981, 1983, 1986

OCCUPATIONAL GROUP	MEDIAN MONTHLY WAGES						SURVEY PERIOD PERCENT CHANGE						ANNUAL AVERAGE PERCENT CHANGE					
	1970	1975	1978	1981	1983	1986	1970-75	1975-78	1978-81	1981-83	1983-86	1970-86	1970-75	1975-78	1978-81	1981-83	1983-86	1970-86
Accountant II	$ 905	$1,300	$1,522	$1,910	$2,175	$2,533	43.6%	17.1%	25.5%	13.9%	16.5%	179.9%	8.7%	5.7%	8.5%	7.0%	5.5%	11.2%
Carpenter, Maintenance	1,011	1,423	1,459	1,557	1,919	2,041	40.7	2.5	6.7	23.2	6.4	101.9	8.1	0.8	2.2	11.6	2.1	6.4
Cashier - Teller	381	468	585	719	850	867	22.8	25.0	22.9	18.2	2.0	127.6	4.6	8.3	7.6	9.1	0.7	8.0
Chemist	853	1,125	1,255	1,733	1,910	2,167	31.9	11.6	38.1	10.2	13.5	154.0	6.4	3.9	12.7	5.1	4.5	9.6
Clerk, Account	450	555	691	875	1,062	1,193	23.3	24.9	26.6	21.4	12.3	165.1	4.7	8.3	8.9	10.7	4.1	10.3
Clerk III	537	654	860	1,100	1,223	1,408	21.8	31.5	27.9	11.2	15.1	162.2	4.3	10.5	9.3	5.6	5.0	10.1
Drafter I	654	823	880	1,150	1,330	1,458	25.8	6.9	30.7	15.7	9.6	122.9	5.2	2.3	10.2	7.9	3.2	7.7
EDP Programmer I	1,030	1,308	1,461	1,778	2,042	2,525	27.0	11.7	21.7	14.9	23.7	145.1	5.4	3.9	7.2	7.5	7.9	9.1
Electrician, Maintenance	858	1,195	1,402	1,910	2,146	2,193	39.3	17.3	36.2	12.4	2.2	155.6	7.9	5.8	12.0	6.2	0.7	9.7
Electronics Technician	675	809	1,077	1,404	1,551	1,801	19.9	33.1	30.4	10.5	16.1	166.8	4.0	11.0	10.1	5.3	5.4	10.4
Engineering Aide I	681	832	1,031	1,278	1,570	1,537	29.8	23.9	24.0	22.9	-2.1	139.8	6.0	8.0	8.0	11.5	-0.7	8.7
Engineer, Civil II	1,126	1,530	1,875	2,470	2,937	2,898	35.9	22.6	31.7	18.9	-1.3	157.4	7.2	7.5	10.6	9.5	-0.4	9.8
Equipment Operator, Heavy	695	1,006	1,288	1,778	1,882	2,012	44.7	28.0	38.0	5.9	6.9	189.5	9.0	9.3	12.7	3.0	3.3	11.8
Guard	339	468	546	855	782	955	38.5	16.6	56.6	-8.5	22.1	181.7	7.7	5.5	18.9	-4.3	7.4	11.4
Janitor	485	690	840	1,040	1,190	1,280	42.3	21.7	23.8	14.4	7.6	163.9	8.5	7.2	7.9	7.2	2.5	10.2
Laborer	525	662	813	1,182	1,322	1,418	26.1	22.8	45.4	11.8	7.3	170.1	5.2	7.6	15.1	5.9	2.4	10.6
Machinist, Maintenance	761	1,084	1,300	1,647	1,919	2,080	42.4	19.9	26.7	16.5	8.4	173.3	8.5	6.6	8.9	7.1	2.8	10.8
Mechanic, Automotive	662	970	1,132	1,628	1,891	2,143	46.5	16.7	43.8	16.1	13.3	223.7	9.3	5.6	14.6	8.1	4.4	14.0
Medical Technologist	711	941	1,105	1,307	1,597	1,920	32.3	17.4	18.3	22.2	20.2	170.0	6.5	5.8	6.1	11.1	6.6	10.6
Nurse, Staff (registered)	696	871	1,065	1,325	1,557	1,890	25.1	22.3	29.1	13.2	21.4	171.6	5.0	7.4	9.7	6.6	7.1	10.7
Offset Press Operator	493	659	780	1,051	1,220	1,394	33.7	18.4	34.7	16.1	14.3	182.8	6.7	6.1	11.6	8.1	4.8	11.4
Sewing Machine Operator	350	499	596	726	711	855	42.6	19.4	21.8	-2.1	20.3	144.3	8.5	6.5	7.3	-1.1	6.8	9.0
Stenographer II	456	643	750	981	1,160	1,325	41.0	16.6	30.7	18.3	14.2	190.6	8.2	5.5	10.2	9.2	4.7	11.9
Typist II	409	555	720	910	1,075	1,229	35.7	29.7	26.4	18.1	14.3	200.5	7.1	9.9	8.8	9.1	4.8	12.5
Welder	607	854	1,100	1,479	1,661	1,667	40.7	28.8	34.5	12.3	0.4	174.6	8.2	9.6	11.5	6.2	0.1	10.9
Average Median Survey Wage	652	877	1,045	1,353	1,547	1,712	34.5	19.2	29.5	14.3	10.7	162.6	6.9	6.4	9.8	7.2	3.6	10.2
CPI-W April Mpls.-St. Paul MSA	116.6	156.8	194.9	267.3	312.4	332.3	34.5	24.3	37.1	16.9	6.4	185.0	6.9	8.1	12.4	8.5	2.1	11.6

wages for a higher level of engineering aide showed a 13.8 percent increase between 1983 and 1986. Consequently, small sample size or differences in reporting between the two time periods may be responsible for the drop in reported wages. Many Civil Engineers and Engineering Aides are employed in the public sector. While many government units have experienced budget pressures over the past several years, small wage increases have still been negotiated.

Similarly, the low rate of increase in median wages for Cashiers and Tellers may be due to a shift in the makeup of the responding employers between 1983 and 1986. Establishments in the wholesale/retail trade and finance, insurance, and real estate industries were sampled. In 1983, responding employers from the trade industries represented approximately 58 percent of the total combined employment in the two industry divisions. In 1986, responding employers from trade represented approximately 65 percent of the total combined employment. The 1986 survey of Cashiers-Tellers contained more employees in the retail trade industry which generally pays slightly lower wages than the finance industry.

Small increases in median wages paid to Maintenance Electricians and Welders is far more explainable based on labor market conditions in the past three years. Both of these occupations are primarily found in cyclically sensitive industries such as mining, construction, and manufacturing. A combination of factors following the severe recession of 1981-82 has kept wage increases very low for many occupations in these industries. Although these jobs require skill, the general availability of workers who had been displaced during the recession has created a lot of competition for available jobs. While some manufacturing industries have recovered, others have not, and demand for workers remains weak. Competition from foreign countries and other regions of the U.S. has forced companies to control production costs to try to stay competitive.

On the positive side, 19 of the 25 occupations surveyed had median wages increasing faster than the CPI between 1983 and 1985. The highest increase occurred for EDP Programmer II (7.9%), Guards (7.4%), and Registered Nurses in private clinics (7.1%). For the Programmer and Registered Nurse, the 1983-86 increase was consistent with wage increases since 1978. However, the pay increase for Guards was a surprising reversal of the 1981-83 decrease. Results from the Salary Survey for this occupation can obviously vary greatly depending on which firms report in a given year. In general, Table 1 shows that wage increases were higher from 1983 to 1986 for technical, professional, and clerical jobs than for any production related jobs in mining, construction, or manufacturing, regardless of the skill level required. Jobs such as Maintenance Carpenters and Electricians, Heavy Equipment Operators, Laborers, and Welders all experienced sharply lower wage increases between 1983 and 1986 than during the previous reported periods.

Table II on page 9 shows indexes of median wages for a representative sample of occupations. The indexes were computed using the median wage of Laborer as the base. The table also includes the percentage increase or decrease in the index points for each period. From the table it is evident that the traditionally lower paid jobs, such as Cashier-Teller, Typist, and Sewing Machine Operator, remain on the bottom of the wage scale in relationship to this list of occupations. The high end of the list continues to be dominated by professional jobs or skilled craft occupations which traditionally have been covered by strong and stable collective bargaining agreements. The stability of these agreements have tended to keep the wage level high,

TABLE II - INDEXES OF MEDIAN WAGES FOR SELECTED OCCUPATIONS IN MINNESOTA: 1970, 1975, 1978, 1981, 1983, 1986 (Laborer=100)

OCCUPATIONAL GROUP	INDEXES OF MEDIAN WAGES						PERCENT INCREASE OR DECREASE IN INDEX POINT					
	1970	1975	1978	1981	1983	1986	1970-75	1978-81	1981-83	1981-83	1983-86	1970-86
Accountant II	172.4	196.4	187.2	161.6	164.5	178.6	13.9%	-4.7%	-13.7%	1.8%	14.1%	6.2%
Chemist	162.5	170.0	154.4	146.6	144.5	152.8	4.6	-9.2	-5.0	-1.4	8.3	-9.7
EDP Programmer II	196.2	197.6	179.7	150.4	154.5	178.1	0.7	-9.1	-16.3	2.7	23.6	-18.1
Engineer, Civil II	214.5	231.1	230.6	209.0	222.2	204.4	7.7	-0.2	-9.4	6.3	-17.8	-10.1
Cashier - Teller	72.6	70.7	72.0	60.8	64.3	61.1	-2.6	1.8	-15.6	5.8	-3.2	-11.5
Clerk III	102.3	98.8	105.8	93.1	92.5	99.3	-3.4	7.1	-12.0	-0.6	6.8	-3.0
Stenographer II	86.9	97.1	92.2	82.9	87.8	93.4	11.7	-5.1	-10.1	5.9	5.6	6.5
Typist II	77.9	83.8	88.6	77.0	81.3	86.7	7.6	5.7	-13.1	5.6	5.4	8.8
Carpenter, Maintenance	192.6	215.0	179.5	131.7	145.2	143.9	11.6	-16.5	-26.6	10.3	-1.3	-48.7
Electrician, Maintenance	163.4	180.5	172.4	161.6	162.3	154.7	10.5	-4.5	-6.3	0.4	-7.6	-8.7
Machinist, Maintenance	145.0	163.7	160.0	139.3	145.2	146.7	12.9	-2.3	-12.9	4.2	1.5	1.7
Welder	115.6	129.0	135.3	125.1	125.6	117.6	11.6	4.9	-7.5	0.4	-8.0	2.0
Drafter I	124.6	124.3	108.2	97.2	100.6	102.8	-0.2	-13.0	-10.2	3.5	2.2	-21.8
Engineering Aide I	122.1	125.7	126.8	108.1	118.8	108.4	2.9	0.9	-14.7	10.0	-10.4	-13.7
Sewing Machine Operator	66.7	75.4	73.3	61.4	53.8	60.3	13.0	-2.8	-16.2	-12.4	6.5	-6.4
Laborer	100.0	100.0	100.0	100.0	100.0	100.0	---	---	---	---	---	---

TABLE III - VARIATION IN OCCUPATIONAL WAGE RATES BETWEEN GEOGRAPHIC AREAS IN MINNESOTA EXPRESSED AS A PERCENT OF THE STATEWIDE MEDIAN WAGE FOR THE INDIVIDUAL OCCUPATION: 1970, 1975, 1978, 1981, 1983 AND 1986

OCCUPATION	1970					1975					1978					1981						1983						1986					
	NE	NW	SE	SW	METRO	NE	NW	SE	SW	METRO	NE	NW	SE	SW	METRO	NE	NW	SE	SW	CENT.	METRO	NE	NW	SE	SW	CENT.	METRO	NE	NW	SE	SW	CENT.	METRO
Professional	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Accountant II	94	89	94	77	103	92	87	89	77	103	103	88	96	79	102	109	85	102	86	91	102	104	97	91	91	90	102	105	89	94	76	87	106
EDP Programmer II	83	75	95	NA	100	94	NA	80	NA	102	102	86	89	NA	101	102	87	97	94	79	101	102	111	85	79	73	101	92	82	75	79	84	102
Engineer, Civil II	103	NA	92	101	99	106	NA	98	NA	98	99	NA	102	NA	100	100	106	101	98	NA	100	106	NA	NA	80	NA	100	100	105	NA	99	109	100
Clerical																																	
Clerk III	114	101	123	82	97	107	82	87	94	103	109	85	88	85	104	100	94	89	86	95	102	109	93	90	92	95	102	109	98	88	86	95	104
Stenographer II	105	93	86	90	101	94	78	94	80	102	106	88	88	88	103	103	94	93	85	97	102	106	97	89	82	86	102	105	88	96	83	95	102
Typist II	98	80	86	82	102	96	86	85	81	105	105	84	86	82	105	105	94	95	86	93	104	108	96	91	87	89	105	109	85	96	87	98	106
Craft																																	
Carpenter, Maintenance	82	76	93	91	118	68	57	63	49	106	83	64	78	71	109	106	88	90	89	88	103	106	91	89	85	90	104	95	101	86	NA	71	114
Electrician, Maintenance	96	97	104	92	117	86	84	78	76	116	100	97	80	97	125	100	89	80	93	76	108	96	89	76	75	82	114	98	93	78	77	83	121
Machinist, Maintenance	93	72	92	61	104	95	76	74	67	104	100	91	79	61	103	116	79	74	80	103	101	107	77	80	78	91	104	109	107	76	81	73	105
Mechanic, Automotive	103	108	85	88	99	102	105	79	70	98	120	95	91	70	103	115	105	80	78	75	100	106	105	78	90	96	98	99	97	79	78	57	114
Technical																																	
Drafter I	102	99	84	97	102	105	102	93	85	103	107	90	88	92	102	99	81	95	82	91	103	100	87	91	82	99	102	107	90	97	90	93	101
Engineering Aide I	104	76	92	100	102	107	89	88	88	102	103	90	88	92	102	103	95	95	92	96	102	102	88	99	89	99	105	99	98	94	88	111	104
Laborer																																	
Janitor	102	93	92	91	105	105	86	93	87	106	109	91	94	89	105	110	88	95	88	98	104	118	99	98	94	104	99	125	97	106	89	107	91
Laborer	91	66	103	66	115	113	84	85	71	121	122	88	99	82	115	109	73	88	72	79	106	116	83	95	75	92	119	126	103	104	82	72	125

even in the face of slack demand for the particular skills.

As was mentioned in the previous section, median wages increased more rapidly for professional, technical, and clerical jobs than for jobs of any skill level in manufacturing, mining, or construction. This is reflected in Table II by increases in index points for occupations such as Accountant II and a decrease in index points for Welders. In this respect, the 1983-86 trend differs significantly from previous periods studied. The index figures increased for most occupations in the 1970-75 and 1981-83 periods. In the period from 1975 to 1981 there was a compression in the structure of wages as evidenced by significant decreases in most occupations and particularly in the high index value occupations. In the First Quarter 1984 Review article which was written about the 1981-83 period, there was some speculation that the wage structure tends to maintain a stable long-run relationship. The evidence for this was that high index levels of 1975 and 1978 were compressed in 1981 and were stabilizing in 1983. The changes in index figures from 1983-86 seem to correspond to labor market conditions for the occupations rather than to a long-term trend.

Regional Wage Variations in Minnesota

Table III on page 9 displays variations in occupational wage rates between geographic areas in Minnesota. There has been little change in the geographic variation of wages for these selected occupations over the years. The Twin Cities metropolitan region (Metro) continues to exhibit median wages consistently above the statewide rate, with the exception of Janitor. The northeast region (NE) continues to display high wage levels relative to the rest of the State in spite of the serious economic changes which have occurred in that region since 1983. As was mentioned in the First Quarter 1984 Review article, the northeast region is dominated by large firms which have strong collective bargaining agreements with labor. While wage rates for these firms may have remained stable over this period, they are still high compared to other regions of the State. Secondly, layoffs which have taken place would have affected those with less seniority first. The higher paid workers with greater seniority remain on the job and keep the median wages high3/.

The other four geographic areas of the State had fluctuations within the selected occupations but remain in approximately the same relationship with the other regions. The northwest, central, southeast, and southwest regions are generally characterized as having a strong agricultural base and low levels of unionization which combine to keep wage levels at a lower rate. Compared to the 1981-83 period, the southeastern region had the most occupations (nine) increase their percentage of the State median wage. The southwestern region had the fewest occupations (six) increase their percentage of the State median wage.

Summary

The purpose of this article was to update a series of articles examining wage and salary trends in Minnesota as reflected by data from the Minnesota Salary Survey. We have seen that between 1983 and 1986 most occupations received wage increases which were significantly lower than in 1981-83.

Continued on page 26 FEATURE ARTICLE

3/ While wage levels for selected occupations reported by a sample of firms in northeastern Minnesota have remained relatively high, structural changes in the economy of that region have resulted in a significant drop in the average weekly wage of the area. In 1978 the average weekly wage of workers covered by the Minnesota Unemployment Insurance Law in northeastern Minnesota was 102.2 percent of the State average weekly wage. In 1985 it had dropped to 89 percent of the State. On the other hand, the average weekly wage for covered employment in the Minneapolis-St. Paul metropolitan region increased slightly from 109.3 percent of the State average in 1978 to 110.5 percent in 1985.

Brief Analysis Of Economic Conditions

THE NATIONAL AND STATE ECONOMIES IN THE SECOND QUARTER

By Ben Boyle

Nation

According to the second revision of real gross national product (GNP) and most other indicators of economic activity, the Nation's economy grew very slowly in the second quarter and into July. However, revised GNP data showed that growth in the first quarter was stronger than initially reported.

The labor market situation was generally weaker in the second quarter as unemployment rose and nonfarm payroll employment climbed much more slowly than in the first quarter. Although some of the slower growth in the second quarter was due to labor disputes in communications and some manufacturing industries, there was considerable weakness in oil and gas extraction and in a number of manufacturing industries, especially transportation equipment, nonelectrical machinery and apparel. Between December and June, employment in oil and gas extraction fell by 112,000 and manufacturing employment declined by 144,000. During this same period, employment in the services-producing industries rose by a little over one million. Also, employment in construction increased by 152,000 between December and June. The employment picture was somewhat brighter in July as the unemployment rate dropped 0.2 of a point to 6.9 percent and the decline in oil and gas employment and some manufacturing industries slowed considerably while employment in construction and a number of the services-producing industries rose strongly.

Other economic reports for the second quarter and July indicated that the economy was still rather sluggish. Retail sales were about the same level in July as in May while industrial production and housing starts fell for the third consecutive month in July. Also, income and spending have been rising rather slowly in recent months.

State

In terms of unemployment, the Minnesota economy improved considerably in the second quarter. On the other hand, the growth of both total and nonfarm wage and salary employment slowed from the first quarter.

The State's seasonally adjusted unemployment rate continued to drop throughout the second quarter, declining from 6.1 percent in March to 5.2 percent in June and averaging 5.5 percent in the second quarter after an average of 6.3 percent in the first quarter. In July the rate edged up to 5.3 percent. However, employment also either declined or slowed in the second quarter as seasonally adjusted total employment fell by 10,500 in the second quarter after a rise of 27,500 in the first quarter and seasonally adjusted nonfarm payroll employment rose 5,100 in the second quarter following a gain of 10,000 in the first quarter. Although some of the slowing in the growth of payroll employment was due to the communications strike, much of the deceleration was the result of more widespread declines in durable goods manufacturing employment and significant slowdowns in construction and trade. In July the growth of payroll employment accelerated considerably as employment in durable goods manufacturing rose for the first time since January and the striking workers returned to work. The July gain of 5,800 in seasonally adjusted nonfarm payroll employment followed a rise of 2,900 in June. Over-the-year, nonfarm payroll employment rose by nearly 31,000. The largest over-the-year gains were in business and health services, local education, special trades construction and printing and publishing. The biggest over-the-year declines were in computer and electrical machinery manufacturing and in the communications portion of public utilities.

Analysis of Local Conditions

MINNEAPOLIS-ST. PAUL MSA

By Bruce Steuernagel

There was very little change in Twin Cities area labor market conditions in July. Employment continues to grow at a slow pace, while the unemployment rate was unchanged at 4.1 percent for the third consecutive month.

The July nonagricultural wage and salary data on the opposite page reflect the seasonal downturn in public and private educational services. Manufacturing firms continued to trim their work forces in July. The cutbacks were widespread but generally small. The employment level in the manufacturing sector has remained about constant since April following a sharper drop in the previous three quarters.

Retail trade payrolls were down slightly (unchanged on a seasonally-adjusted basis). This is another industry sector which is struggling somewhat at the present time. Total retail sales volume in the Twin Cities area in 1986 is only slightly higher than year ago levels.

The strongest job growth in the Twin Cities area continues to occur in the finance, insurance, and real estate industry and in the services industry. In the services sector, the greatest growth from a year ago has occurred in the personal services, recreation and entertainment (+14.5 percent), and legal services industries. Two service industry groups which have in the past grown rapidly, business and health services, are now increasing at a much slower pace.

The Twin Cities unemployment rate remained at 4.1 percent for the third consecutive month. This compares to a jobless rate of 4.6 percent a year ago. It is the lowest July rate since 1981 when the unemployment rate was also 4.1 percent. While the number of employed declined at about the average rate due to seasonal factors, the number of unemployed did not decrease as much as usual, dropping only 2.0 percent from June compared to its average decrease of 6.0 percent.

The smaller than usual decrease in the number of unemployed corresponds to a smaller than average increase in the number of unemployed teenagers entering the labor force between May and June.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
Minneapolis-St. Paul MSA*	1,321,567	1,339,601	1,304,900	54,280	55,293	59,740	4.1	4.1	4.6
REGION 11	1,227,650	1,244,700	1,212,070	50,512	51,470	55,624	4.1	4.1	4.6
Anoka	125,522	127,327	123,449	5,662	5,829	5,696	4.5	4.6	4.6
Carver	23,102	23,437	22,858	782	812	930	3.4	3.5	4.1
Dakota	126,267	127,942	125,155	4,910	4,926	5,932	3.9	3.9	4.7
Hennepin	575,177	582,956	567,933	24,142	24,389	26,585	4.2	4.2	4.7
Ramsey	277,425	281,419	273,556	11,590	11,950	12,394	4.2	4.2	4.5
Scott	27,913	28,292	27,851	1,132	1,144	1,540	4.1	4.0	5.5
Washington	72,244	73,327	71,268	2,294	2,420	2,547	3.2	3.3	3.6
Chisago*	16,401	16,654	16,134	731	770	740	4.5	4.6	4.6
Isanti*	14,668	14,906	14,671	562	608	813	3.8	4.1	5.5
Wright*	36,685	37,176	36,133	1,471	1,480	1,538	4.0	4.0	4.3
St. Croix, WI	26,163	26,165	25,892	1,004	965	1,025	3.8	3.7	4.0
Bloomington	50,080	50,789	49,918	2,277	2,333	2,956	4.5	4.6	5.9
Minneapolis	213,511	216,444	210,736	9,897	10,047	10,702	4.6	4.6	5.1
St. Paul	158,583	160,667	156,605	7,491	7,510	8,169	4.7	4.7	5.2

* Chisago, Isanti and Wright counties are a part of the Minneapolis/St. Paul MSA. Chisago and Isanti counties are in Region 7E and Wright county is in Region 7W.

Analysis of Local Conditions

MPLS-ST. PAUL NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	July 1986	June 1986	July 1985	June 1986	July 1985	July 1986	July 1985	July 1986	July 1985	July 1986	July 1985
Total Nonagricultural	1,238.3	1,247.8	1,215.1	-0.8	1.9	-	-	-	-	-	-
Manufacturing	252.9	253.3	257.3	-0.2	-1.7	439.67	438.07	10.91	10.78	40.3	40.5
Durable Goods	159.1	159.7	162.9	-0.4	-1.3	445.94	449.03	10.85	10.81	41.1	41.5
Lumber and Furniture	8.9	8.8	7.9	1.0	12.3	433.47	486.57	10.37	11.81	41.8	41.2
Stone, Clay and Glass	2.9	3.0	3.1	-0.7	-4.8	537.95	445.56	12.31	10.28	43.7	43.3
Primary Metals	4.6	4.8	4.8	-3.9	-4.3	340.96	370.72	8.61	9.02	39.6	41.1
Fabricated Metals	29.8	30.0	28.4	-0.5	5.2	491.15	486.38	11.95	11.71	41.1	41.5
Nonelectrical Machinery	63.3	63.6	68.8	-0.4	-7.9	470.72	482.29	11.37	11.19	41.4	43.0
Office and Computing	32.3	32.5	37.0	-0.8	-12.6	512.74	528.84	11.98	11.70	42.8	45.2
Electrical Machinery	15.8	15.8	16.9	-0.2	-6.8	323.85	314.83	8.50	8.21	38.1	38.2
Transportation Equipment	4.5	4.6	4.3	-1.1	4.4	564.98	531.72	13.98	12.66	41.0	42.0
Scientific Instruments	25.3	25.3	24.8	0.1	1.8	406.89	407.72	9.90	10.26	41.1	39.7
Miscellaneous Manufacturing	3.9	3.9	3.9	0.8	1.1	417.22	381.27	9.07	10.06	46.0	37.8
Nondurable Goods	93.8	93.6	94.4	0.1	-0.7	430.10	418.47	11.00	10.72	39.1	38.9
Food and Kindred	18.8	18.5	18.2	1.2	2.9	426.42	421.63	10.30	9.76	41.4	43.1
Textiles and Apparel	1.4	1.6	2.1	-11.4	-34.0	232.37	246.40	6.02	6.39	38.6	38.4
Paper and Allied	25.4	25.5	26.1	0.0	-2.5	470.35	461.45	11.50	11.31	40.9	40.7
Printing and Publishing	30.9	30.5	30.7	1.1	0.6	400.01	409.01	11.05	11.33	36.2	36.0
Chemicals and Petroleum	8.9	8.9	8.6	-0.5	3.1	532.03	461.01	13.04	12.09	40.8	38.0
Rubber, Plastic and Leather	8.4	8.6	8.6	-2.3	-2.7	390.25	345.75	10.11	9.22	38.6	37.4
Nonmanufacturing	983.7	992.6	957.7	-0.9	2.7	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-	-	-	-
Metal Mining	-	-	-	-	-	-	-	-	-	-	-
Construction	52.6	50.9	51.6	3.4	2.0	607.24	631.80	16.15	16.19	37.6	38.9
Transport., Comm., & Pub. Util.	68.3	68.2	67.7	0.1	0.8	-	-	-	-	-	-
Transportation	47.1	48.0	45.4	-1.8	3.7	-	-	-	-	-	-
Trucking and Warehousing	16.7	16.7	16.4	0.4	2.3	366.99	363.03	13.06	12.39	28.1	29.3
Communication and Public Util.	21.1	20.2	22.3	4.6	-5.3	524.26	454.21	13.76	12.40	38.1	36.6
Trade	304.6	305.1	299.2	-0.2	1.8	267.76	247.94	8.42	8.21	31.8	30.2
Wholesale	80.4	79.6	78.6	1.0	2.3	448.44	408.00	11.10	10.57	40.4	38.6
Retail	224.2	225.5	220.6	-0.6	1.6	213.16	198.44	7.30	7.18	29.2	27.6
Building Materials	10.1	10.0	10.0	0.4	0.8	374.62	334.58	9.46	8.97	39.6	37.3
General Merchandise	35.9	36.2	35.4	-0.9	1.5	206.19	196.90	6.85	6.72	30.1	29.2
Food Stores	27.6	27.2	26.4	1.7	4.4	279.37	253.98	8.29	8.41	33.7	30.2
Automotive	23.6	23.5	22.9	0.2	3.1	432.00	384.43	10.80	10.17	40.0	37.8
Apparel	11.5	11.6	11.3	-1.3	1.3	105.15	105.92	5.42	5.01	19.4	21.1
Home Furnishings	10.8	10.7	9.7	0.8	11.5	199.52	256.35	6.88	8.18	29.0	31.3
Eating and Drinking	75.6	76.9	75.8	-1.7	-0.3	114.40	97.39	4.91	4.66	23.3	20.9
Fin., Insur., Real Est.	90.7	89.8	86.2	1.0	5.2	330.96	310.60	8.40	8.58	39.4	36.1
Finance	38.3	38.0	36.4	0.6	5.2	360.53	318.69	8.88	8.58	40.6	37.1
Insurance	35.9	35.4	34.4	1.3	4.3	332.90	364.45	8.24	9.18	40.4	39.6
Real Estate	16.6	16.4	15.5	1.3	7.2	213.59	189.61	6.89	6.87	31.0	27.5
Services	309.6	308.9	299.4	0.2	3.4						
Personal Services	16.4	16.2	14.8	1.6	11.2						
Business Services	71.2	70.2	69.6	1.5	2.4						
Repair Services	14.4	14.6	14.2	-1.3	1.9						
Health Services	79.9	79.8	79.4	0.1	0.6						
Hospitals	29.4	29.4	29.7	-0.2	-1.2						
Nursing Homes	21.9	21.8	21.7	0.2	0.8						
Legal Services	10.5	10.3	9.8	1.9	6.6						
Private Education	14.8	15.6	14.7	-4.8	1.1						
Government	157.9	169.6	153.5	-6.9	2.8						
Federal	19.8	19.7	18.9	0.6	4.7						
State	45.2	50.2	44.9	-9.9	0.7						
Education	21.8	27.1	21.5	-19.6	1.5						
Local	92.9	99.7	89.7	-6.9	3.5						
Education	42.7	51.0	41.2	-16.2	3.6						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

Analysis of Local Conditions

CENTRAL AND NORTHWEST MINNESOTA

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
St. Cloud MSA	88,096	89,199	85,714	4,508	4,665	5,498	5.1	5.2	6.4
REGION 1	43,051	43,161	44,414	3,407	3,445	3,959	7.9	8.0	8.9
Kittson	2,847	2,864	3,148	226	237	342	7.9	8.3	10.9
Marshall	5,640	5,653	5,972	673	658	706	11.9	11.6	11.8
Norman	3,862	3,875	4,248	241	231	290	6.2	6.0	6.8
Pennington	6,497	6,467	6,353	451	463	470	6.9	7.2	7.4
Polk	14,873	15,090	15,422	1,226	1,255	1,437	8.2	8.3	9.3
Red Lake	2,036	2,057	2,125	290	284	321	14.2	13.8	15.1
Roseau	7,296	7,155	7,146	300	317	393	4.1	4.4	5.5
REGION 2	30,100	30,376	31,639	2,305	2,466	2,638	7.7	8.1	8.3
Beltrami	15,722	15,931	16,338	1,052	1,119	1,166	6.7	7.0	7.1
Clearwater	3,553	3,625	3,771	461	507	486	13.0	14.0	12.9
Hubbard	6,520	6,535	6,731	438	479	609	6.7	7.3	9.0
Lake of Woods	2,065	2,038	2,326	125	125	126	6.1	6.1	5.5
Mahnomen	2,240	2,247	2,473	229	236	249	10.2	10.5	10.1
REGION 4	100,568	101,909	102,117	5,170	5,712	5,861	5.1	5.6	5.7
Becker	13,251	13,475	13,210	913	1,049	1,066	6.9	7.8	8.1
Clay	26,597	26,909	26,308	1,172	1,242	1,177	4.4	4.6	4.5
Douglas	14,578	14,635	14,804	657	703	767	4.5	4.8	5.2
Grant	3,327	3,346	3,688	178	198	183	5.4	5.9	5.0
Otter Tail	25,623	26,038	26,241	1,455	1,700	1,768	5.7	6.5	6.7
Pope	5,289	5,249	5,553	307	303	304	5.8	5.8	5.5
Stevens	5,659	5,876	5,635	202	210	212	3.6	3.6	3.8
Traverse	2,576	2,620	2,776	112	111	113	4.3	4.2	4.1
Wilkin	3,668	3,761	3,902	174	196	271	4.7	5.2	6.9
REGION 5	59,814	59,867	62,367	3,975	4,142	4,657	6.6	6.9	7.5
Cass	9,619	9,634	10,479	784	835	863	8.2	8.7	8.2
Crow Wing	21,017	21,158	21,611	1,198	1,264	1,447	5.7	6.0	6.7
Morrison	13,524	13,654	14,060	914	964	1,190	6.8	7.1	8.5
Todd	10,645	10,573	11,001	722	705	772	6.8	6.7	7.0
Wadena	5,009	4,848	5,216	357	374	385	7.1	7.7	7.4
REGION 6E	54,957	55,426	56,862	3,257	3,306	3,916	5.9	6.0	6.9
Kandiyohi	18,090	18,149	18,591	882	917	941	4.9	5.1	5.1
McLeod	17,230	17,176	16,808	759	794	860	4.4	4.6	5.1
Meeker	9,626	10,064	10,168	862	870	1,060	9.0	8.6	10.4
Renville	10,011	10,037	11,295	754	725	1,055	7.5	7.2	9.3
REGION 7E	54,780	55,635	55,415	2,937	3,111	3,519	5.4	5.6	6.4
Chisago	16,401	16,654	16,134	731	770	740	4.5	4.6	4.6
Isanti	14,668	14,906	14,671	562	608	813	3.8	4.2	5.5
Kanabec	5,829	5,969	6,194	388	405	545	6.7	6.8	8.8
Mille Lacs	8,740	8,770	9,067	534	562	692	6.1	6.4	7.6
Pine	9,142	9,336	9,349	722	766	729	7.9	8.2	7.8
REGION 7W	124,781	126,375	121,847	5,979	6,145	7,036	4.8	4.9	5.8
Benton	13,602	13,795	13,257	711	758	886	5.2	5.5	6.7
Sherburne	16,982	17,212	16,441	1,033	1,082	1,135	6.1	6.3	6.9
Stearns	57,612	58,192	56,016	2,764	2,825	3,477	4.8	4.9	6.2
Wright	36,685	37,176	36,133	1,471	1,480	1,538	4.0	4.0	4.3

1/ Benton, Stearns, and Sherburne Counties

ST. CLOUD MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	63,588	64,229	61,442	-1.0	3.5
Total Manufacturing	11,528	11,417	10,944	1.0	5.3
Durable Goods	6,383	6,230	6,383	2.5	0.0
Nondurable Goods	5,145	5,187	4,561	-0.8	12.8
Total Nonmanufacturing	52,060	52,812	50,498	-1.4	3.1
Construction	3,122	2,929	3,388	6.6	-7.9
Transp., Comm. & Pub. Util.	3,838	3,838	3,528	0.0	8.8
Wholesale Trade	3,211	3,292	3,123	-2.5	2.8
Retail Trade	16,520	16,669	15,257	-0.9	8.3
Finance, Insur. & Real Estate	2,290	2,266	2,209	1.1	3.7
Service & Miscellaneous	12,709	12,911	12,675	-1.6	0.3
Government	10,370	10,907	10,318	-4.9	0.5

The St. Cloud Area

By Ron Daws

ST. CLOUD MSA ADDS JOBS OVER THE YEAR WHILE CENTRAL MINNESOTA LOSES

* While nearly every other county in Central Minnesota lost employment over the year (July-July), the St. Cloud MSA gained jobs. During July 1986, there were 83,588 jobs in the St. Cloud MSA compared with 80,216 during July 1985 - a 4.2 percent increase.

* Although July's employment dropped by 946 from June's record high, unemployment also dropped by 157 to slightly lower the unemployment rate from 5.2 percent in June to 5.1 in July. This was also the trend in most other Central Minnesota counties.

* July's unemployment rate was the lowest for that month since pre-recessionary 1979 when 4.8 percent of the labor force was jobless. July's 5.1 percent unemployment rate was the lowest of any month since October 1979.

* The nonagricultural wage and salary industries that recorded large percentage job gains over the year were durable goods at 12.8 percent (584 jobs), transportation, communications & public utilities at 8.8 percent (310 jobs), and retail trade at 8.3 percent (1263 jobs).

* The largest numerical industry gainer was retail trade.

* Construction, although gaining 193 jobs (6.6 percent) over the month, still employed 266 (or 7.9 percent) fewer workers than during July 1985.

Analysis of Local Conditions

NORTHEAST MINNESOTA

By Mike Casey

Of the thirteen economic development regions throughout Minnesota eleven regions recorded declines in their rates of unemployment from June to July, one remained unchanged, and one recorded an increase. Unfortunately for labor force participants among the residents of Region 3, it was the seven-county area of northeastern Minnesota that recorded the increase.

Labor force developments during July combined a slight contraction in the number of employment opportunities available with an increase in the number of jobseekers throughout the region. After five months of expanding job opportunities the employment level fell by about 350 positions, a decline of only 0.3 percent. In contrast to this year's June-to-July change, both 1985 and 1984 experienced more significant job losses for the comparable period. With the estimated number of jobless increasing by more than 1,000 over the month, some 12,000 residents were out of work in July. Overall, the rate of unemployment jumped to 8.9 percent in July, compared to 8.2 percent one month earlier.

As mentioned in last month's analysis the initial impact of the recent closings of some mines and mining-related operations will not be measurable until the August employment levels are available in late September. At that time it is expected that the unemployment rate will record another significant increase in northeastern Minnesota.

LABOR FORCE ESTIMATES

AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
REGION 3	135,139	134,452	134,981	12,059	11,020	14,063	8.9	8.2	10.4
Aitkin	5,350	5,293	5,869	482	530	596	9.0	10.0	10.2
Carlton	11,167	11,327	11,409	1,013	1,031	946	9.1	9.1	8.3
Cook	2,669	2,612	2,886	139	144	176	5.2	5.5	6.1
Itasca	17,003	17,357	17,016	1,716	1,766	1,846	10.1	10.2	10.8
Koochiching	7,615	7,901	8,279	568	650	813	7.5	8.2	9.8
Lake	4,045	4,184	4,276	403	422	486	10.0	10.1	11.4
St. Louis	87,290	85,778	85,246	7,736	6,477	9,200	8.9	7.6	10.8
City of Duluth	34,250	34,593	33,143	1,784	2,230	2,108	5.2	6.4	6.4
Balance St. Louis	53,040	51,185	52,103	5,952	4,247	7,092	11.2	8.3	13.6

DULUTH AND DULUTH-SUPERIOR MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT

INDUSTRY	EMPLOYMENT DULUTH			PERCENT CHANGE		EMPLOYMENT DULUTH-SUPERIOR			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Mo. Ago	Yr. Ago	July 1986	June 1986	July 1985	Mo. Ago	Yr. Ago
Total Nonagricultural Wage & Salary	42,490	42,140	41,190	0.8	3.2	86,300	85,860	84,230	0.5	2.5
Total Manufacturing	3,660	3,630	3,790	0.7	-3.7	6,910	6,910	7,160	0.0	-3.4
Durable Goods	1,690	1,680	1,820	0.8	-7.0	3,830	3,820	4,110	0.4	-7.0
Nondurable Goods	1,960	1,950	1,970	0.6	-0.6	3,080	3,100	3,040	-0.5	1.5
Total Nonmanufacturing	38,840	38,510	37,390	0.8	3.9	79,390	78,940	77,080	0.6	3.0
Construction	1,490	1,340	1,270	11.6	17.4	3,560	3,310	3,110	7.5	14.4
Trans., Comm., Pub. Util.	3,150	2,890	3,060	9.3	3.0	6,070	5,780	6,220	4.9	-2.4
Wholesale Trade	1,800	1,800	1,800	0.0	0.0	3,710	3,720	3,690	-0.3	0.5
Retail Trade	9,090	9,120	9,050	-0.4	0.4	18,210	18,340	18,500	-0.7	-1.6
Finan., Insur., & Real Est.	1,820	1,810	1,770	0.6	2.8	3,170	3,140	3,040	0.9	4.2
Services, Mining, & Miscel.	11,530	11,520	11,440	0.8	0.8	25,240	25,150	24,300	0.4	3.9
Government	9,960	9,940	9,010	0.3	10.6	19,430	19,500	18,200	-0.4	6.7

Analysis of Local Conditions

SOUTHERN MINNESOTA

By Mike Casey

LABOR FORCE ESTIMATES									
AREA	CIVILIAN LABOR FORCE			UNEMPLOYMENT			UNEMP. RATE		
	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985	July 1986	June 1986	July 1985
REGION 6W	**26,871**	**27,127**	**28,749**	**1,510**	**1,584**	**1,721**	**5.6**	**5.8**	**6.0**
Big Stone	3,530	3,593	3,702	171	180	203	4.8	5.0	5.4
Chippewa	6,773	6,725	7,286	403	400	459	6.0	5.9	6.3
Lac Qui Parle	4,803	4,816	5,006	231	233	232	4.8	4.8	4.6
Swift	5,421	5,584	5,945	405	459	464	7.5	8.2	7.8
Yellow Medicine	6,344	6,407	6,720	300	312	363	4.7	4.9	5.4
REGION 8	**66,089**	**66,978**	**71,222**	**3,209**	**3,474**	**4,607**	**4.9**	**5.2**	**6.5**
Cottonwood	6,349	6,445	6,980	336	413	623	5.3	6.4	8.9
Jackson	6,867	6,926	7,268	558	586	426	8.1	8.5	5.9
Lincoln	3,800	3,805	4,012	177	204	192	4.7	5.4	4.8
Lyon	13,513	13,736	13,577	566	636	654	4.2	4.6	4.8
Murray	5,201	5,250	5,667	250	268	332	4.8	5.1	5.9
Nobles	10,848	11,093	11,715	530	519	690	4.9	4.7	5.9
Pipestone	5,778	5,831	6,074	210	227	253	3.6	3.9	4.2
Redwood	8,705	8,941	10,795	400	437	1,196	4.6	4.9	11.1
Rock	5,028	4,951	5,134	180	181	192	3.6	3.7	3.7
REGION 9	**115,304**	**116,599**	**117,497**	**5,736**	**6,242**	**6,474**	**5.0**	**5.4**	**5.5**
Blue Earth	27,503	27,996	27,596	1,007	1,071	1,330	3.7	3.8	4.8
Brown	14,405	14,369	14,662	626	657	748	4.3	4.6	5.1
Faribault	9,981	10,087	9,989	556	649	562	5.6	6.4	5.6
Le Sueur	12,111	12,153	12,440	785	870	842	6.5	7.2	6.8
Martin	13,233	13,460	13,672	956	1,042	1,003	7.2	7.7	7.3
Nicollet	14,679	15,019	14,615	593	704	651	4.0	4.7	4.5
Sibley	7,711	7,782	7,954	465	495	500	6.0	6.4	6.3
Waseca	9,626	9,758	10,392	409	477	514	4.2	4.9	4.9
Watonwan	6,055	5,975	6,277	340	277	332	5.6	4.6	5.3
REGION 10	**220,785**	**223,627**	**223,738**	**10,996**	**11,677**	**12,124**	**5.0**	**5.2**	**5.4**
Dodge	8,200	8,294	8,352	446	493	482	5.4	5.9	5.8
Fillmore	11,221	11,361	11,731	712	718	804	6.3	6.3	6.7
Freeborn	17,267	17,437	18,215	948	1,011	1,034	5.5	5.9	5.2
Goodhue	20,629	20,832	20,671	870	910	1,082	4.2	4.4	6.0
Houston	9,736	9,807	9,787	486	503	654	5.0	5.2	6.7
Mower	20,032	20,461	19,983	1,534	1,626	967	7.7	8.0	4.8
Olmsted	57,992	58,360	58,869	1,981	2,127	2,222	3.4	3.6	3.8
Rice	25,774	26,611	26,238	1,369	1,448	2,227	5.3	5.4	8.5
Steele	15,245	15,406	15,308	755	849	791	5.0	5.5	5.2
Wabasha	9,418	9,456	9,690	494	579	569	5.2	6.1	5.9
Winona	25,266	25,632	24,894	1,406	1,399	1,392	5.6	5.5	5.6
ROCHESTER CITY	**35,281**	**35,494**	**35,812**	**1,440**	**1,525**	**1,587**	**4.1**	**4.3**	**4.4**

ROCHESTER MSA NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT					
INDUSTRY	EMPLOYMENT			PERCENT CHANGE	
	July 1986	June 1986	July 1985	Month Ago	Year Ago
Total Nonagricultural Wage & Salary	**55,340**	**55,740**	**55,220**	**-0.7**	**0.2**
Total Manufacturing	**11,070**	**10,690**	**11,490**	**3.6**	**-3.7**
Durable Goods	8,770	8,770	9,560	0.0	-8.3
Nondurable Goods	2,300	1,920	1,930	19.9	19.1
Total Nonmanufacturing	**44,270**	**45,060**	**43,730**	**-1.7**	**1.2**
Construction & Mining	2,310	2,210	2,240	4.7	3.1
Transp., Comm., & Public Util.	1,880	1,880	1,830	0.0	2.9
Wholesale Trade	1,210	1,190	1,220	1.6	-1.0
Retail Trade	9,950	9,920	10,080	0.3	-1.3
Finan., Insur., & Real Estate	1,530	1,550	1,560	-1.0	-1.4
Total Services	22,510	22,360	22,140	0.6	1.6
Health Services	15,710	15,400	15,440	2.0	1.7
Other Services	6,800	6,960	6,700	-2.4	1.5
Government	4,880	5,950	4,670	-17.9	4.6

At first glance recent labor force developments provided mixed signals on the regional economy during July. On the negative side, a contraction of jobs occurred in 27 of the 34 counties in southern Minnesota. On the positive side, declines were recorded in the number of jobseekers in thirty counties. Overall, the rate of unemployment fell to five percent, down from the previous month's level of 5.3 percent and down even further from the previous two years when 5.7 percent of the labor force was out of work.

While the employment declines may be cause for concern, it should be noted that employment declines are particularly strong in July. During the past two years employment losses have averaged some 4,500 fewer jobs over the month. This year nearly 3,800 jobs were "lost". Since many of the reductions occurred in the education related areas in state and local government, these losses were primarily a seasonal development, rather than an economic one. Most of the July reductions are expected to reappear in September as "new" jobs.

Employment levels are expected to edge upward slightly in August, before beginning a downward cycle which would last until February, as it has in recent years. The number of jobseekers should also decline over the next two or three months, then begin its upward movement to a peak in January or February.

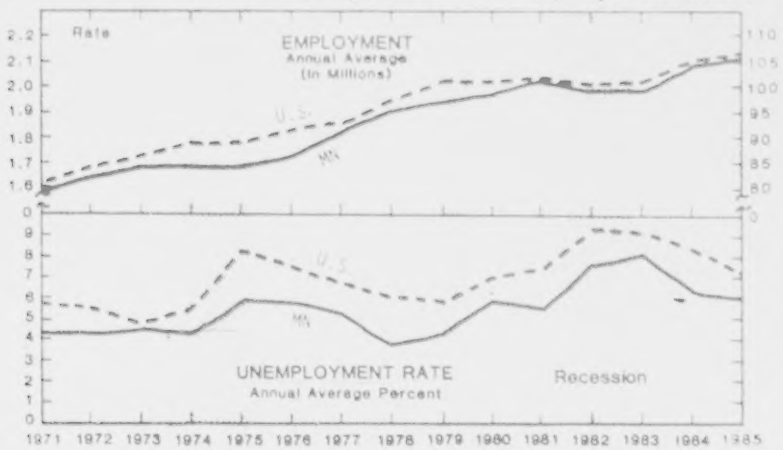
Labor Force Statistics

Labor Force Estimates	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Millions)		
	July 1986	Change From Last Mo.	Change From Year Ago	July 1986	Change From Last Mo.	Change From Year Ago
Civilian Labor Force	2,259.4	-26.3	-3.0	120.3	0.2	2.4
Employed	2,148.3	-23.6	12.1	111.5	1.0	3.0
Unemployed	111.1	-2.7	-15.1	8.8	-0.8	-0.6
Unemployment Rate						
Actual	4.9	-0.1	-0.7	7.0	-0.2	-0.4
Seasonally Adjusted	5.3	0.1	-0.7	6.9	-0.2	-0.4

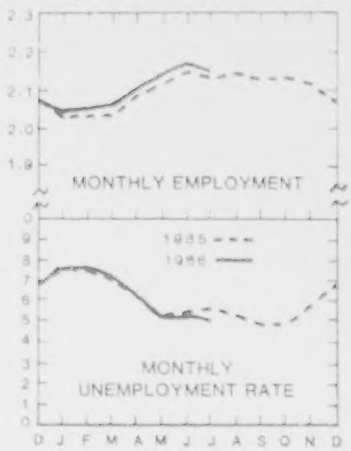
Historical Labor Force Series

Year	Minnesota (Annual Average in Thousands)				United States (Annual Average in Millions)			
	Labor Force	Employment	Unemployment Number	Unemployment Rate	Labor Force	Employment	Unemployment Number	Unemployment Rate
1970	1625.0	1557.0	68.0	4.2	82.8	78.7	4.1	4.9
1971	1664.0	1592.0	73.0	4.4	84.4	79.4	5.0	5.9
1972	1704.0	1630.0	73.0	4.3	87.0	82.2	4.9	5.6
1973	1766.0	1686.0	80.0	4.5	89.4	85.1	4.4	4.9
1974	1769.0	1691.0	77.0	4.3	91.9	86.8	5.2	5.6
1975	1790.0	1684.0	106.0	5.9	93.8	85.8	7.9	8.5
1976	1850.0	1740.0	109.0	5.9	96.2	88.8	7.4	7.7
1977	1909.0	1811.0	98.0	5.1	99.0	92.0	7.0	7.1
1978	1979.0	1903.0	76.0	3.8	102.3	96.0	6.2	6.1
1979	2039.0	1954.0	85.0	4.2	105.0	98.8	6.1	5.8
1980	2111.0	1985.0	125.0	5.9	106.9	99.3	7.6	7.1
1981	2154.0	2035.0	119.0	5.5	108.7	100.4	8.3	7.6
1982	2167.0	1998.0	170.0	7.8	110.2	99.5	10.7	9.7
1983	2176.0	1998.0	178.0	8.2	111.6	100.8	10.7	9.6
1984	2229.0	2088.0	141.0	6.3	113.5	105.0	8.5	7.5
1985	2234.0	2101.0	133.0	6.0	115.5	108.0	8.3	7.2

MN and the U.S., Employment & Unemployment Rate



MN, 1985 and 1986



Labor Market Conditions

The table and graphs in this section describe the behavior of the market for labor services in terms of its quantity, price, and supply. The quantity of labor services, which is the number of employed persons, is classified by industry. The price of labor services is roughly indicated by the industry wage. Unemployment estimates provide a qualified measure of excess labor supply. The degree to which persons participate in the labor market and the effectiveness of the market in utilizing labor services are indicated by Labor Force Estimates and by Other Rates of Labor Utilization.

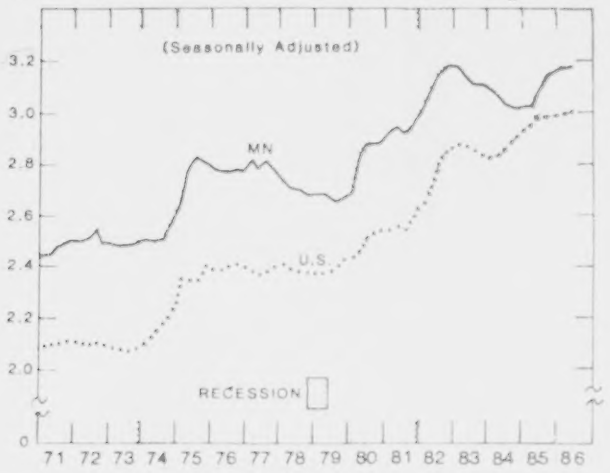
Labor Force & Establishment Data	MINNESOTA (Numbers in Thousands)			UNITED STATES (Numbers in Thousands)		
	II QTR. 1986	Percent Change from		II QTR. 1986	Percent Change from	
		Last Qtr.	Year Ago		Last Qtr.	Year Ago
Labor Force Estimates						
Total Labor Force						
Actual	2,262.7	2.1	0.6	117,720	1.6	2.1
Seasonally Adjusted	2,240.3	-1.2	0.6	117,671	0.6	2.1
Employment						
Actual	2,140.8	4.4	0.8	109,371	2.1	2.3
Seasonally Adjusted	2,117.5	-0.3	0.8	109,225	0.4	2.3
Unemployment						
Actual	121.9	-26.7	-2.2	8,349	-4.3	0.5
Seasonally Adjusted	122.8	-13.9	-2.0	8,446	2.3	0.5
Unemployment Rates						
Actual	5.4	-28.0	-1.8	7.1	-5.3	-1.4
Seasonally Adjusted	5.5	-12.7	-1.8	7.2	1.4	-1.4
Other Rates of Labor Utilization						
Participation Rt. (Labor Force/Population [ ]	1.4	3.5	1.5	3.1	3.5	3.2
Full Employment Deficit - Percent of Workers1/	70.4	-1.3	0.0	66.3	0.3	0.9
Manpower Utilization Rate2/	84.2	0.6	0.3	82.4	-0.2	-0.2
Nonagricultural Wage & Salary Positions						
Employment*	1,889.9	0.2	1.5	99,837	0.4	2.6
Mining	7.3	4.3	-16.1	793	-9.5	-15.9
Construction	74.4	2.2	4.3	4,965	2.0	6.1
Manufacturing	368.9	-0.6	-2.1	19,196	-0.5	-0.7
Durables	217.7	-1.5	-4.1	11,370	-0.7	-1.5
Nondurables	151.2	0.5	0.4	7,826	-0.2	0.5
Trans., Comm., & Public Utilities	98.3	-0.6	-0.5	5,233	-0.9	-0.1
Trade	471.1	-0.1	1.2	23,743	0.5	3.1
Fin., Ins., & Real Estate	114.9	0.9	4.5	6,253	1.6	5.8
Services	446.0	0.9	3.4	22,931	1.3	5.1
Government	309.0	0.4	2.8	16,723	0.3	2.4
Average Weekly Hours*						
Mining	40.2	0.8	0.8	41.9	-2.6	-3.7
Construction	39.4	5.6	2.9	37.9	4.4	-0.3
Manufacturing	40.6	0.5	1.0	40.7	0.0	0.7
Durables	41.8	2.0	1.7	41.2	-0.5	0.2
Nondurables	39.1	-1.0	0.5	39.9	0.3	1.3
Trans., Comm., & Public Utilities	38.1	-2.7	-4.0	39.1	-1.0	-1.0
Trade	30.9	1.0	1.6	31.5	-0.3	-0.6
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	36.5	-0.3	0.0
Services	n.a.	n.a.	n.a.	32.5	-0.3	0.0
Average Hourly Wage						
Mining	13.09	-3.9	0.5	12.46	1.3	4.3
Construction	14.78	-1.3	-3.1	12.31	0.1	0.7
Manufacturing	10.26	-0.3	2.0	9.70	-0.1	2.1
Durables	10.43	-0.4	2.6	10.27	-0.2	2.2
Nondurables	10.02	-0.2	1.3	8.90	0.3	2.4
Trans., Comm., & Public Utilities	12.08	0.2	4.4	11.55	-0.6	2.3
Trade	7.75	0.1	2.2	6.92	-0.7	1.5
Fin., Ins., & Real Estate	n.a.	n.a.	n.a.	8.35	1.3	5.8
Services	n.a.	n.a.	n.a.	8.11	-0.6	3.6

1/ Four percent is a generally agreed upon criteria for measuring full employment. It allows for the movement of persons between jobs. Labor Force Unemployment Rate less four percent, based on official estimates.

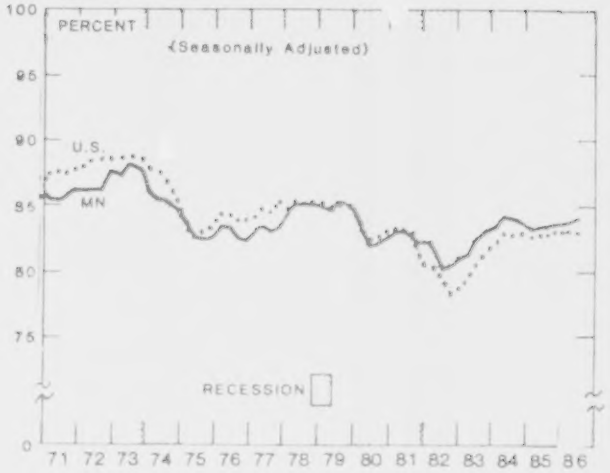
2/ Estimated worker hours expended in nonfarm payroll employment as a percent of potential worker hours assuming that each member of the nonfarm labor payroll labor force was employed at a standard rate of 40 hours per week.

Labor Market Conditions

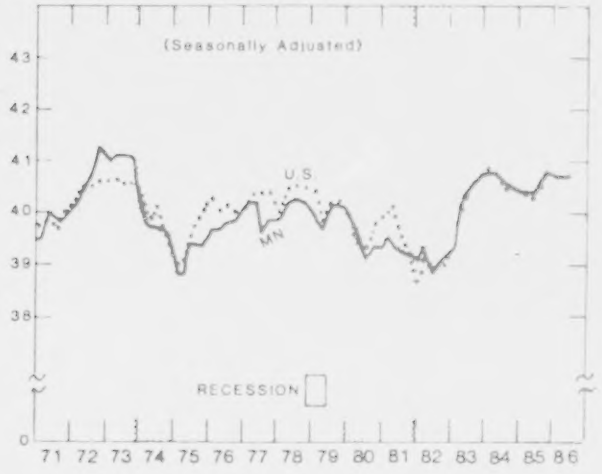
Ratio of Services to Goods Producing Jobs



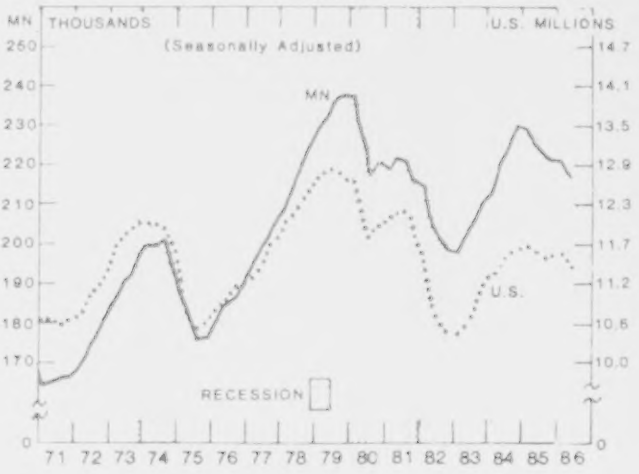
Manpower Utilization Rate



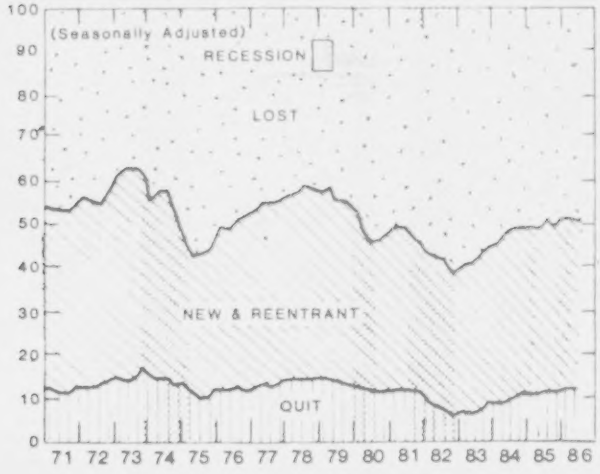
Average Weekly Hours, Manufacturing



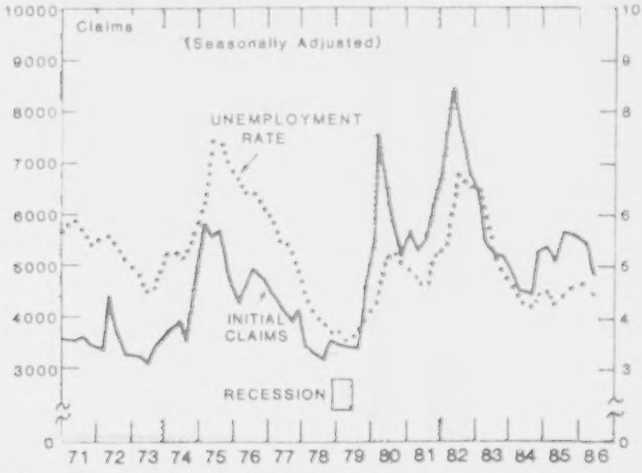
Manufacturing Employment, Durable Goods



U.S. Unemployment: Percent Distribution by Reason



MN Weekly Initial Claims & Handbook Unemployment Rate



Labor Market Conditions

The Table below provides data on persons who file claims for unemployment compensation in Minnesota. Only those claiming benefits from the regular State program are represented, since data on the characteristics of Federal employees and veterans are not available, and data on those receiving benefits from extended programs is reported only when those programs are in effect. If those receiving extended benefits were included they would distort the numerical comparisons over time, but would not substantially change the percentage distributions other than to increase the proportion of long-term unemployed.

Persons Claiming Benefits	SECOND QUARTER 1986			JULY 1986			
	Number	Percent Change From		Number	Percent Change From		Percent Long Term
		Last Qtr.	Year Ago		Month Ago	Year Ago	
By Age & Sex							
Male	27,614	-47.0	2.8	19,701	-2.0	-13.3	25.6
Under 45	21,021	-47.4	1.6	15,076	-0.9	-16.1	24.0
16-24	4,009	-54.7	-12.4	2,466	-8.6	-31.8	21.9
25-34	10,586	-46.8	2.0	7,620	-0.2	-16.7	24.1
35-44	6,426	-42.5	12.2	4,990	2.1	-4.1	24.9
45 and Over	6,593	-46.0	6.6	4,625	-5.1	-2.5	31.1
45-54	3,683	-47.4	7.1	2,610	-3.6	-2.4	28.8
55 and Over	2,910	-44.1	5.9	2,015	-7.1	-2.6	34.0
Female	13,008	-11.6	11.3	13,528	2.9	-9.6	24.1
Under 45	9,539	-12.3	10.2	9,904	3.7	-11.6	23.4
16-24	1,857	-25.9	-5.7	1,731	3.3	-27.4	23.1
25-34	4,509	-9.9	12.2	4,730	3.7	-9.7	23.5
35-44	3,173	-5.9	18.9	3,443	3.9	-3.7	23.6
45 and Over	3,469	-9.5	14.5	3,624	0.8	-3.8	26.0
45-54	1,989	-8.5	13.7	2,051	0.1	-6.5	24.6
55 and Over	1,480	-10.7	15.6	1,573	1.7	-0.2	27.9
By Industry	**40,622**	**-39.2**	**5.3**	**33,229**	**-0.04**	**-11.8**	**25.0**
Ag., For., Fish.	577	-72.2	11.2	316	6.0	17.9	21.1
Mining	803	-75.6	70.1	1,249	207.6	-26.4	5.6
Construction	8,196	-61.6	1.1	3,048	-21.1	9.7	21.7
Manufacturing	13,275	-23.7	-1.6	11,306	-2.3	-30.1	28.0
Pub. Utilities	1,999	-33.7	8.0	1,358	-11.2	-12.6	30.4
Wholesale Trade	2,610	-25.5	-3.2	2,305	-1.0	-7.8	30.8
Retail Trade	4,628	-23.5	15.7	4,287	1.2	8.5	31.1
Fin., Ins., Real Est.	1,038	-9.7	7.8	1,007	2.3	6.3	32.7
Services	6,439	-9.1	17.9	7,368	3.8	10.1	19.0
Public Admin.	579	-50.5	3.0	487	-0.4	-16.5	20.8
Inf. Not Available	473	-38.7	8.5	498	14.2	-7.9	0.6
By Occupation	**40,622**	**-39.2**	**5.3**	**33,229**	**-0.04**	**-11.8**	**25.0**
Prof., Tech., Mgr.	6,308	-3.3	31.5	7,074	3.7	5.8	26.6
Clerical	4,450	-7.3	17.7	4,631	4.4	2.1	27.3
Sales	1,804	-13.3	26.5	1,742	2.5	18.0	29.9
Services	2,509	-23.7	5.6	2,457	1.3	-3.4	22.7
Farm., For., Fish.	494	-71.4	5.8	202	-9.8	0.0	25.8
Processing	2,182	-19.0	13.2	1,689	-16.6	10.2	23.6
Machine Trade	2,687	-33.8	-9.2	2,172	-3.4	-26.1	27.5
Benchwork	4,366	-24.0	-3.0	3,909	-1.7	-41.4	26.3
Structural Work	9,601	-58.7	0.3	4,443	-14.2	-2.6	21.0
Misc.	6,034	-51.8	-6.2	4,718	12.7	-24.3	22.0
Inf. Not Available	187	-11.0	-41.2	192	22.3	-38.7	15.6
By Duration	**40,622**	**-39.2**	**5.3**	**33,229**	**-0.04**	**-11.8**	
0-14 Weeks	28,376	-48.3	3.1	24,922	1.7	-17.7	
15+ Weeks (Long-Term)	12,246	2.5	10.9	8,307	-5.0	12.5	

Labor Market Conditions

MINNESOTA NONAGRICULTURAL WAGE & SALARY EMPLOYMENT, HOURS & EARNINGS

Industry	EMPLOYMENT 1/ (thousands)			PERCENT CHANGE FROM		PRODUCTION WORKERS' HOURS & EARNINGS 2/					
						Average Weekly Earnings		Average Hourly Earnings		Average Weekly Hours	
	July 1986	June 1986	July 1985	June 1986	July 1985	July 1986	July 1985	July 1986	July 1985	July 1986	July 1985
Total Nonagricultural	1,899.9	1,919.1	1,869.6	-1.0	1.6						
Manufacturing	373.4	371.2	378.5	0.6	-1.4	406.21	403.21	10.13	10.03	40.1	40.2
Durable Goods	218.8	219.2	225.9	-0.2	-3.1	420.04	420.24	10.27	10.30	40.9	40.8
Lumber and Furniture	18.7	18.4	17.7	1.4	5.4	420.04	451.25	10.27	11.06	40.9	40.8
Stone, Clay and Glass	8.0	7.9	8.8	0.8	-9.6	435.07	396.34	10.56	10.43	41.2	38.0
Primary Metals	5.9	6.2	6.1	-3.8	-2.3	343.27	374.64	8.87	9.16	38.7	40.9
Fabricated Metals	36.6	36.6	35.2	-0.1	4.0	457.81	458.49	11.36	11.21	40.3	40.9
Nonelectrical Machinery	81.3	81.7	88.5	-0.4	-8.1	445.94	458.11	10.85	10.83	41.1	42.3
Office and Computing	41.5	41.8	46.7	-0.8	-11.1	482.23	522.90	11.32	11.62	42.6	45.0
Electrical Machinery	26.7	26.9	28.4	-0.5	-5.7	339.44	307.71	8.34	7.81	40.7	39.4
Transportation Equipment	7.4	7.5	7.7	-1.7	-4.5	464.39	460.32	11.41	11.20	40.7	41.1
Scientific Instruments	28.3	28.2	27.9	0.3	1.4	399.49	398.80	9.58	9.97	41.7	40.0
Miscellaneous Manufacturing	5.9	5.8	5.6	1.3	5.0	391.46	343.98	9.41	9.45	41.6	36.4
Nondurable Goods	154.5	152.0	152.6	1.6	1.3	389.65	380.60	9.94	9.66	39.2	39.4
Food and Kindred	47.6	45.3	47.3	5.2	0.7	351.65	335.77	8.64	8.13	40.7	41.3
Textiles and Apparel	4.4	4.5	4.8	-2.3	-9.8	238.79	230.74	6.67	6.27	35.8	36.8
Paper and Allied	32.9	32.9	33.8	0.1	-2.6	516.60	496.60	12.07	11.74	42.8	42.3
Printing and Publishing	45.1	44.7	42.8	0.8	5.3	362.71	380.82	10.16	10.52	35.7	36.2
Chemicals and Petroleum	10.5	10.6	10.3	-0.8	2.7	483.21	428.89	12.05	11.14	40.1	38.5
Rubber, Plastic and Leather	14.0	14.1	13.5	-0.6	3.5	335.77	309.13	8.93	8.31	37.6	37.2
Nonmanufacturing	1,526.6	1,547.9	1,491.1	-1.4	2.4						
Mining	8.6	8.4	8.4	2.3	2.1	545.49	536.34	13.24	12.77	41.2	42.0
Metal Mining	6.0	6.0	5.9	1.6	2.0	574.56	572.19	14.40	13.99	39.9	40.9
Construction	85.1	81.9	81.3	3.8	4.7	556.96	604.63	14.58	15.23	38.2	39.7
Transport., Comm., & Pub. Util.	98.6	97.9	98.4	0.7	0.2						
Transportation	65.3	65.9	63.6	-0.8	2.7						
Trucking and Warehousing	27.1	26.7	27.3	1.6	-0.7	382.14	367.87	12.17	11.46	31.4	32.1
Communication and Public Util.	33.3	32.1	34.8	3.8	-4.4	541.26	524.40	13.95	13.11	38.8	40.0
Trade	477.9	479.4	472.8	-0.3	1.1	241.15	231.48	7.68	7.54	31.4	30.7
Wholesale	118.1	118.3	117.4	-0.2	0.6	417.75	385.28	10.47	9.93	39.9	38.8
Retail	359.8	361.1	355.4	-0.4	1.2	191.11	186.50	6.59	6.59	29.0	28.3
Building Materials	18.2	18.2	18.1	0.2	0.8	331.74	318.06	8.55	8.24	38.8	38.6
General Merchandise	49.2	49.5	49.1	-0.8	0.0	191.81	183.91	6.48	6.32	29.6	29.1
Food Stores	48.3	48.2	47.2	0.2	2.3	213.30	214.72	7.11	7.11	30.0	30.2
Automotive	40.5	40.6	38.9	-0.1	4.1	340.18	344.29	9.12	9.28	37.3	37.1
Apparel	18.1	17.9	17.5	1.0	3.4	123.20	117.58	5.38	5.09	22.9	23.1
Home Furnishings	14.8	14.8	14.0	0.2	5.4	241.56	244.28	7.32	7.61	33.0	32.1
Eating and Drinking	124.2	125.2	123.6	-0.8	0.5	112.00	101.46	4.59	4.45	24.4	22.8
Fin., Insur., Real Est.	117.0	116.3	113.1	0.6	3.5						
Finance	54.7	54.4	52.6	0.6	3.9						
Insurance	42.7	42.5	41.1	0.5	3.7						
Real Estate	19.7	19.5	19.3	1.1	1.9						
Services	451.7	451.8	436.9	0.0	3.4						
Personal Services	22.1	22.1	21.3	0.1	4.0						
Business Services	83.6	82.6	78.9	1.2	5.9						
Repair Services	19.3	19.5	18.8	-1.0	2.2						
Health Services	143.9	143.1	140.8	0.6	2.2						
Hospitals	50.2	50.0	50.1	0.4	0.2						
Nursing Homes	40.7	40.7	40.4	-0.1	0.7						
Legal Services	13.6	13.6	12.7	-0.2	7.0						
Private Education	18.4	21.0	18.1	-12.3	2.1						
Government	287.7	312.1	280.2	-7.8	2.7						
Federal	33.8	33.7	32.6	0.5	3.9						
State	67.3	73.0	66.3	-7.8	1.5						
Education	31.2	36.9	30.2	-15.7	3.3						
Local	186.6	205.4	181.3	-9.2	2.9						
Education	83.5	104.5	79.9	-20.1	4.5						

1/ Totals may not add because of rounding.

2/ Average earnings data are on a "gross" basis and are derived from reports of payroll for full and part-time production or nonsupervisory workers. The payroll is reported before deductions of any kind. Bonuses, retroactive pay, tips, payment in kind, and "fringe benefits" are excluded.

National Economic Activity
Spending, Output, Income, and Prices

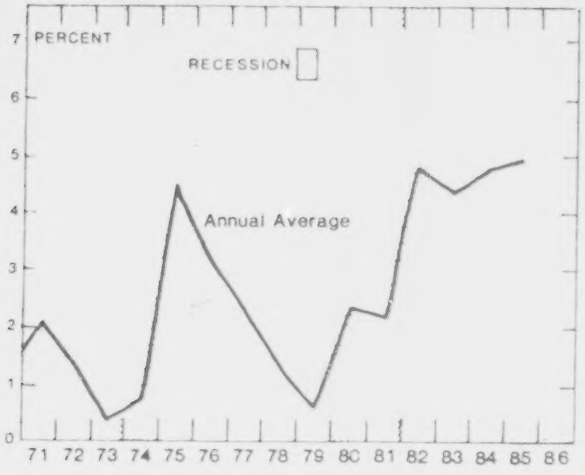
The overall level and composition of National Output shape labor market conditions, and nominal and real earnings. (Nominal values are not adjusted for inflation; real values are adjusted for inflation.) Personal Consumption Expenditures, especially on Durable Goods, together with data on Retail Sales, are frequently used as indicators of future levels of employment. The number of Building Permits influences the level of employment in construction and related industries. The Federal Budget Deficit is a key indicator of the stimulatory effect of government policy. Whether this effect results in inflation, improved employment conditions, or some combination of the two, depends in part, upon the degree to which present productive capacity is utilized. Present and anticipated Money and Credit Conditions determine the ability of consumers, business, and State and Local governments to borrow in order to finance purchases, which, in turn, generate income and employment.

Spending, Output, Income, and Prices	United States		
	II QUARTER 1986	Percent Change from	
		Last Qtr.	Year Ago
Spending and Output			
Gross National Product (in Billions of 1972 Dollars)	3,665.7	0.3	2.7
Personal Consumption Expenditures	2,407.0	1.4	4.1
Durable Goods	357.5	3.5	5.5
Nondurable Goods	875.5	1.7	4.1
Services	1,173.9	0.6	3.7
Gross Private Domestic Investment	667.6	-2.4	1.8
Nonresidential, Fixed	464.8	-0.7	-1.8
Residential, Fixed	193.1	3.7	10.3
Net Exports	-146.3	#	#
Government Purchases	737.5	1.7	4.1
Federal	325.1	1.5	4.4
State and Local	412.4	1.9	3.9
Current Federal Budget Surplus (Deficit) 1/	-236.9	-201.6	-214.8
Current Federal Budget Surplus (Deficit) as % of GNP 1/	5.6	4.9	5.4
Retail Sales (in millions of dollars)	118,310	1.1	3.9
Industrial Production (Base Year - 1977)	124.7	-0.7	0.4
Housing Starts (Annualized in Thousands)	1,908	-4.5	9.5
Plant Utilization Rates	79.1	-1.0	-1.5
New Orders - Durable Goods (in millions of dollars)	103,016	-3.5	-0.2
Income and Credit			
Total Personal Income (in billions of dollars)	3,480.0	1.4	5.5
Total Disposable Personal Income (in billions of dollars)	2,979.2	1.5	4.8
Per Capita Personal Income			
Current Dollars	14,432	1.2	4.5
1967 Dollars	4,488	1.6	3.3
Median Family Income - Family of Four (in dollars)	37,067	1.1	4.4
Poverty Threshold for Family of Four (in dollars)	11,000	---	3.3
Average Weekly Earnings of Production Workers in Mfg.	394.28	0.1	2.8
Money and Credit			
Money Supply (M2) (in billions of dollars)	2,645.9	2.6	7.8
Federal Reserve Discount Rate	6.61	-10.3	-14.9
Prime Rate Charged by Banks	8.61	-8.1	-15.6
Consumer Installment Credit as % of Disp. Pers. Income	18.9	1.2	9.8
Prices			
Consumer Price Index (All Urban Consumers)	326.5	-0.2	1.7
Food	309.1	0.4	2.6
Housing	359.2	0.7	3.1
Apparel	206.1	0.5	0.4
Transportation	305.9	-3.7	-4.7
Medical Care	429.9	1.8	7.6
Personal Care	290.8	0.6	3.6
Producer Price Index	298.7	-1.9	-3.5
Finished Goods	283.0	-2.0	-3.1
Raw Materials	272.9	-5.8	-10.7

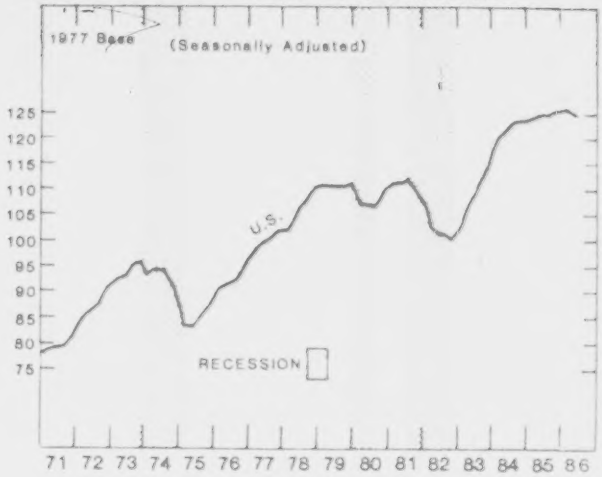
Percent change not applicable
1/ Represents values - not percent change.

Output, Expenditures, Money, & Credit Conditions

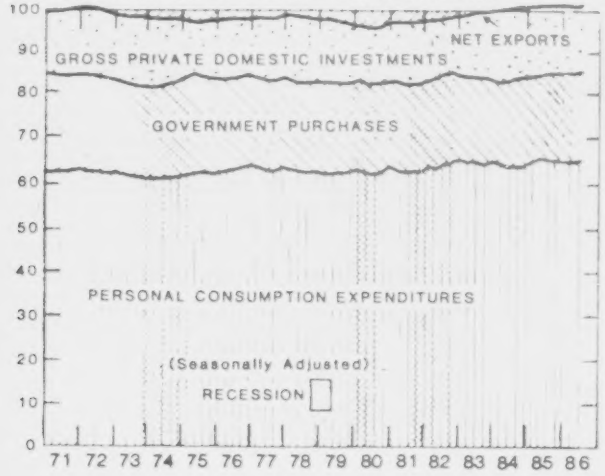
Federal Deficit as % of GNP (Current Dollars)



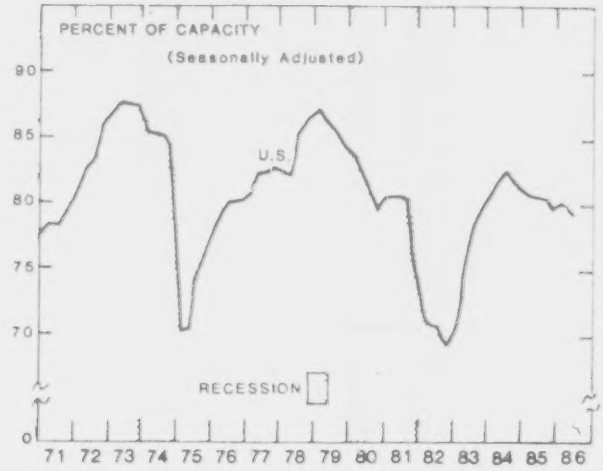
Index of Industrial Production



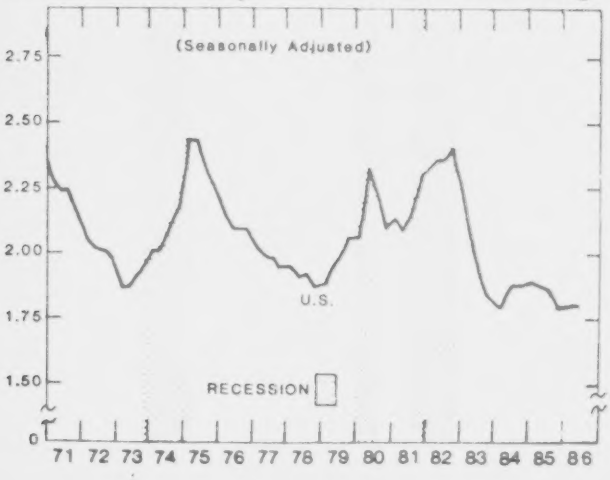
Composition of GNP in Percent



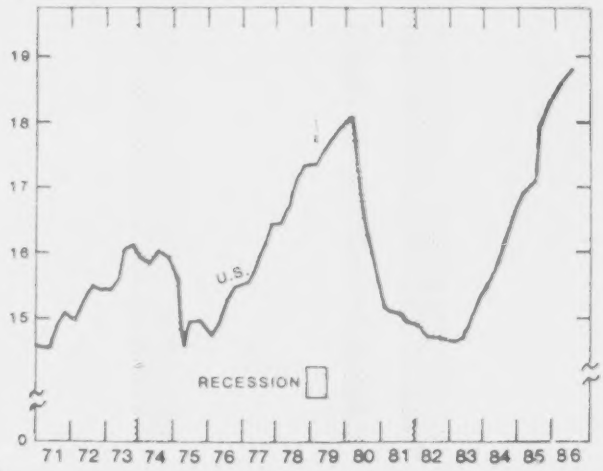
Plant Utilization Rates, Mfg.



Ratio, Inventory to Sales, Durable Mfg.

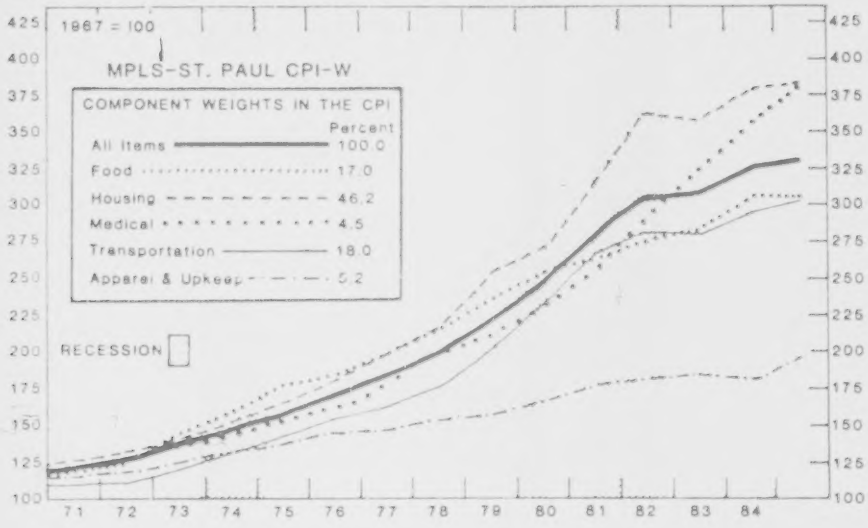


Ratio, Consumer Installment Debt to Disposable Personal Income, U.S.

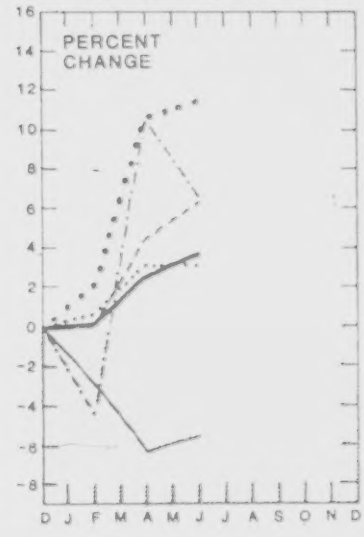


Income & Purchasing Power

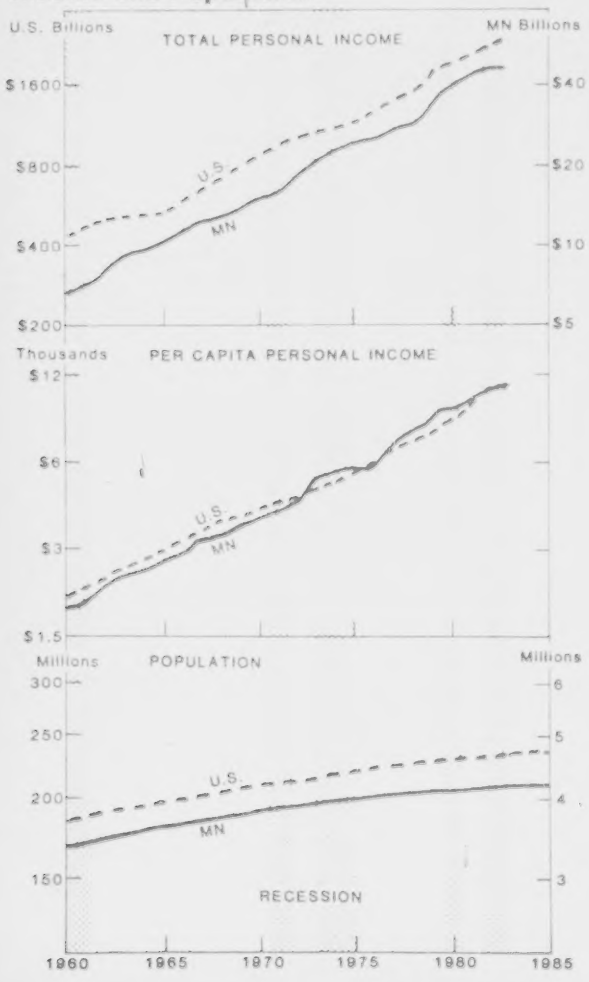
Consumer Price Index–Major Components



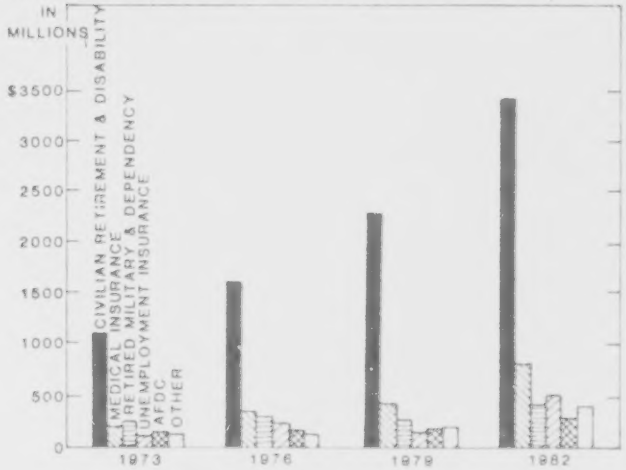
% Δ From Dec. 1985



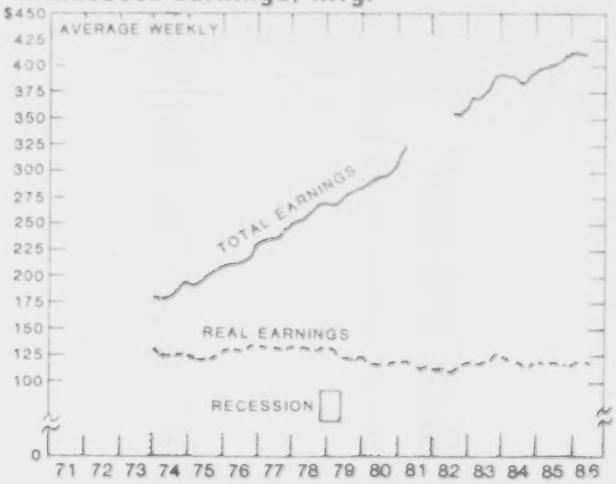
U.S. & MN Personal Income and Population



Government Transfer Payments To Individuals In Minnesota *(Selected Years)*



Minnesota Earnings, Mfg.



Minnesota Income Support and Employment Assistance Data

Presented below is data on income support and employment assistance programs provided to unemployed Minnesotans. Usually, the number of individuals receiving payments or employment and training assistance is the average of the three months in the quarter. In most programs there are eligibility requirements which must be met. In the table below, comparative data from a quarter ago and a year ago is presented. Because of seasonal swings in economic activity, quarter to quarter comparisons of program data can vary significantly. Year ago comparisons give a better indication of trends in the economy.

	Number of Persons			Amount Paid (Thousands)		
	II QTR. 1986	Last Quarter	Last Year	II QTR. 1986	Last Quarter	Last Year
Unemployment Insurance						
Total State	54,043	78,665	52,054	$28,073.3	$43,223.1	$24,795.2
Northeast	6,285	10,649	5,912	3,265.1	6,624.5	2,885.0
Northwest	7,447	11,719	7,253	3,475.5	6,096.9	3,129.7
Central	6,205	10,368	6,868	3,045.9	5,606.5	3,109.4
Metropolitan	22,904	28,755	21,029	13,161.1	16,335.0	10,963.3
Southern	11,203	17,176	10,991	5,125.7	8,560.2	4,707.7
General Assistance						
Total State	20,628	20,056	38,460	$4,519.7	$4,388.8	$7,714.0
Northeast	2,852	2,691	6,584	583.2	548.8	1,229.2
Northwest	2,108	2,032	4,252	374.0	356.4	736.3
Central	1,284	1,262	2,227	242.2	237.1	434.8
Metropolitan	11,867	11,609	21,184	2,822.4	2,763.1	4,510.1
Southern	2,517	2,462	4,213	497.8	483.4	803.6
Job Service						
Individuals served	130,928	121,231	163,790			
Individuals placed	4,399	2,582	4,985			
Vocational Rehabilitation						
Active Caseload	16,856[1/]	15,723	15,707			
Percent Severely Disabled	55.8	54.4	55.6			
Closed-Employed	335	337	367			
Job Training Partnership Act (Title IIA)						
Participants	NA	NA	13,392			
Entered Employment			3,471			
Trade Adjustment Assistance (TRA)						
Individuals Entitled to Basic TRA	128	43	7			
Individuals Placed or Entered Training	21	5	11			
Targeted Jobs Tax Credit						
Individuals Vouchered	Expired	204	3,450			
Individuals Certified		172	1,364			
Food Stamp Program						
Registrations	3,019	2,915	1,592			
Individuals Entered Employment	196	138	209			
Work Incentive Program						
Registrants On-Board	27,215	26,416	25,237			
Individuals Entered Employment	357	309	508			
MEED						
Individuals On-Board	1,708	1,651	5,941			
Left Program with Unsubsidized Job	1,382	227	637			

1/ Now includes State Services for the Blind.

FEATURE ARTICLE (continued from page 10)

However, the wage increases exceeded the rate of inflation as measured by the CPI. Workers in professional, technical, and clerical jobs generally received the highest wage increases while production workers of any skill level in construction and manufacturing generally received small wage increases. This is indicative of the cost control efforts to remain competitive, as well as an employers' market for labor in these industries.

Copies of the 1986 Minnesota Salary Survey are now available. One publication contains information on about 120 occupations by area. The second publication contains information on about 45 occupations employed in the hospital and nursing home industry and is also published by area of the State. The publications are available at no charge by calling (612) 297-2281 or by writing to:

Minnesota Dept. of Jobs & Training
Attn: Research Office
390 North Robert Street
St. Paul, Minnesota 55101

Available Publications

Write to: Director, Research and Statistics Office (See inside cover for address)

Review of Labor and Economic Conditions and its Monthly Supplement (Recent Issues)

Minnesota Employment Outlook to 1990 (February 1985)

Employment Projections to 1990, Minneapolis-St. Paul Metropolitan Area, (April 1986)

Labor Market Information Summary for 1986 for Minnesota (August 1986)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1950 - December, 1984 (April 1985)

Minnesota Nonagricultural Wage and Salary Employment, Hours, and Earnings, January, 1978 - December, 1985 (April 1985)

Employment, Hours, and Earnings, 1950-1985, Minneapolis-St. Paul Area (April 1985)

Important Minnesota Occupations by Industry (August 1984)

1982 Occupational Employment Statistics in Minnesota (April 1984)

1984 Occupational Employment Statistics in Minnesota (October 1985)

1986 Minnesota Salary Survey by Area (August 1986)

1986 Minnesota Hospitals and Nursing Homes Salary Survey (August 1986)

1985 Minnesota Wage Data by Industry and Size of Firm (September 1985)

Minnesota Labor Market Information Directory (June 1984)

Minnesota Employment and Wage Data by County (Fourth Quarter 1985) Limited number available for 1975-1983

Average Covered Employment & Wages by Economic Region for the Calendar Year 1984 by Two Digits of Industry (also available for 1976-1983)

Unemployment Compensation Program Statistics: Total Wages, Taxable Wages, Contributions Due, and Benefits Paid, 1950-1978

Cyclical Sensitivity in Minnesota (August 1981)